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III

Japan

Executives Hold 'Business Camp' in United States

OW0610074892 Tokyo KYODO in English 0724 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—Japanese and U.S. business people will gather in Eagle Ridge, a suburb of Chicago, Illinois, in the United States Thursday for a four-day "business camp" aimed at deepening understanding between the two countries, officials of the Foreign Ministry said Tuesday.

The camp is also designed to encourage dialogue between the two nations on business, the officials said.

The idea of having a camp was embodied in an action plan and a "Tokyo Declaration" issued at the end of U.S. President George Bush's visit to Japan in January, they said.

About 50 business executives and lecturers from the two countries are expected to attend the camp.

Among them will be Fuji Xerox Co. chairman and chief executive officer Yotaro Kobayashi, NIHON KEIZAI SHIMBUN Inc. columnist Yasuhiro Tase, and Tokyo University Assistant Professor Akihiko Tanaka, they said.

Spread of Information 'Outsourcing' Discussed

OW0710102692 Tokyo KYODO in English 0955 GMT 7 Oct 92

["News Focus" by Kohei Murayama: "Information 'Outsourcing' Set for Steady, but Fragile Growth"]

[Text] Tokyo, Oct 7 KYODO—So-called "outsourcing" of data processing is starting to spread in Japan, but is raising concerns that it may lead major computer makers and telecommunications firms to a more complicated exclusive business network subject to global criticism.

Invented in the United States, outsourcing, in which companies contract out all or part of their data-processing divisions on a long-term contract basis, has grown into a 7 billion dollar market in the U.S., and is expected to double in the next few years, according to a report of the Japan Information Service Industry Association (JISA).

A JISA official said, "Concrete figures for Japan are still not available, but with about 20 outsourcing firms already present, the market is expected to expand by 20 percent annually."

"Growing moves for downsizing and (the use of) multi-vendors by companies facing the need to streamline amid the economic slowdown have become the follow-wind [as received] to boost outsourcing in Japan," said Eiichi Kuroiwa, director of Japan's leading outsourcing concern Nomura Research Institute (NRI).

The process secures a tight hold on users and is apparently an attractive business for major computer makers and telecommunications companies now that their hardware operations are suffering slack demand and fierce price competition at home and overseas.

The business itself came under the spotlight in 1989 when Eastman Kodak Co. of the U.S. took a thorough strategy of contracting outside all its information-related operations. Kodak estimated then that the 10-year contract worth some 5 million dollars would lead to cost-cutting of around 40 percent.

The most sensational part of the move was that Kodak sold its related equipment and software to International Business Machines Corp. (IBM) and two other companies, and transferred all 350 employees in those areas to IBM.

The U.S. computer giant also made headlines in Japan this March with its Tokyo-based operation winning a 10-year full-fledged outsourcing contract against two Japanese major information service firms—CSK Corp. and Toyo Information Systems Co.

"Aside from cost-cutting estimated at 20 percent, the move is aimed at focusing on our main business by commissioning to a reliable firm..., and we cited IBM's comprehensive capability in both hardware and software, and its records in the leading U.S. outsourcing market," said Masakazu Shiiki, president of Sanyo Shinpan Finance Co., which awarded the contract.

The Fukuoka-based consumer credit firm was equipped mostly with IBM computers and software packages.

"Indeed, high-profile computer makers have advantages in terms of financial and technical reliability in the business, where everything is still new for both users and vendors," said Kenji Chiba, general affairs manager of Fujitsu Facom Information Processing Corp.

The subsidiary of Japan's leading computer maker Fujitsu Ltd. obtained its first outsourcing contract this spring from Citizen Trading Corp., which belongs to the Citizen Watch Group.

Citizen has been using Fujitsu's mainframe computers as the host machine for its sales and distribution systems.

NEC Corp. of Japan, already holding some 60 outsourcing contracts, was awarded a contract in August from the Japan Consumers Co-operative Union which plans to integrate its information systems network under NEC's supercomputer and value-added network service.

Hitachi Ltd. joined the outsourcing bandwagon through its subsidiary, Hitachi Information Systems Ltd., and has some 35 contracts in hands so far.

"It's not the hardware," said Mark Shull, strategic planning director of Electronics Data Systems Japan Ltd., but he did admit IBM is the archrival. "The primary focus of outsourcing is on helping users maximize the contribution of information technology to their business strategy."

Its U.S. parent, Electronics Data Systems Corp. is the leading firm, which is said to have pioneered outsourcing.

"But, telecommunications giants are a great threat," he said, noting that networking is the pillar of outsourcing.

KDD, Japan's international telecom giant, started full-fledged operations in September, aiming even at small users. Nippon Telegraph and Telephone Corp. (NTT) is already focusing in the business to cope with competition from new common carriers.

The JISA official said that American Telephone and Telegraph Co. is now restricted from such service in the United States to prevent market dominance.

"They (computer makers and telecommunications firms) are likely to take the lead, but as users realize the real benefits of outsourcing, that will definitely change," said Tetsuo Imai, president of Input K.K., a Tokyo subsidiary of the U.S. major research agency Input.

NRI's Kuroiwa said, "it's our mission to have companies understand that strategic consulting (including selecting the best and cheapest equipment) as a business partner is the key feature of outsourcing."

Food Agency Formally Approves Imports of Sushi

OW0510101692 Tokyo KYODO in English 0925 GMT 5 Oct 92

[Text] Tokyo, Oct. 5 KYODO—The Food Agency formally announced Monday [5 October] it will approve imports of sushi prepared overseas, paving the way for a flow of similar products into Japan.

The agency of the Ministry of Agriculture, Forestry and Fisheries made the announcement in connection with a controversy over a consignment of 960 frozen sushi samples brought from California by "Sushi Boy," a sushi restaurant chain in Osaka.

The customs office of the Finance Ministry has made clear that it will approve imports of the samples as a processed fish product if the fish on top of the rice accounts for more than 20 percent of the total weight of each piece of sushi.

Informed of the Finance Ministry's decision Monday, the Food Agency said it will follow the judgment by the customs office.

The agency earlier showed reluctance to allow the imports of sushi, contending it can be separated easily into fish and rice, and that rice imports are under strict control by the government.

Encouraged by the sanction, Sushi Boy said it will start full-scale imports of sushi prepared at its factory in California toward the end of the year.

Experts on Japan's customs procedures said the Food Agency's decision paved the way for imports of other similar products, such as "gyudon," a bowl of rice with seasoned beef and vegetables on its top, and "katsudon," fried pork on top of rice.

Mitsubishi Motors May Import New Chrysler Cars

OW0510112092 Tokyo KYODO in English 1048 GMT 5 Oct 92

[Text] Tokyo, Oct. 5 KYODO—Mitsubishi Motors Corp. is considering importing new cars made by the struggling Chrysler Corp. in a bid to help resolve Japan's chronic auto dispute with the United States, the company's head said Monday [5 October].

Hirokazu Nakamura, the company's president, said at a press conference that Mitsubishi is studying the possibility of selling "LH" cars that Chrysler introduced to the U.S. market in July.

The new model, a passenger car with an engine size of 3,300 cc, was developed to compete with the Accord model made by Honda Motor Co. and other Japanese cars.

Already showing good sales in the U.S., the LH is widely seen as possibly pulling Chrysler out of its financial mess, analysts say.

Mitsubishi, which has been in a business tie-up with Chrysler more than two decades, has been helping the restructuring effort of its partner, with such measures as the recent purchase of the Chrysler stake in their joint venture in the U.S., Diamond Star Motors Corp.

The Mitsubishi plan, if materialized, will help the company's imports of U.S. cars, which were sold at an annual averaged pace of 1,580 over the last three years.

Along with other major Japanese carmakers, Mitsubishi pledged to increase its sales of U.S. cars gradually to about 6,000 units by fiscal 1995 during U.S. President George Bush's visit to Japan in January.

Nakamura also said Mitsubishi will not ask Chrysler to tailor the LH car to fit the taste of Japanese consumers, saying the company will not insist that the cars should be changed to have right-hand drive.

Yeltsin's Remarks on 1956 Isles Pledge Viewed

OW0910065392 Tokyo KYODO in English 0539 GMT 9 Oct 92

[Text] Tokyo, Oct. 9 KYODO—Foreign Minister Michio Watanabe on Friday welcomed Russian President Boris Yeltsin's recent suggestion that Russia would be willing to respect a 1956 bilateral declaration stipulating the eventual transfer to Japan of two disputed islands.

But Watanabe, speaking to reporters after a cabinet meeting, said the territorial dispute with Russia cannot be completely resolved until Moscow recognizes Japanese sovereignty over all four of the northern islands claimed by Japan.

Watanabe said Japan "values" Yeltsin's reference at a Russian TV journalists' conference Wednesday to the 1956 Japan-Soviet joint declaration, which in part stipulated that Shikotan Island and the Habomai islets would be transferred to Japan after a peace treaty was signed.

Yeltsin, who had irked Japan by abruptly postponing a scheduled mid-September visit to Japan, said he would be willing to reschedule the visit if Japan agreed to resolve the territorial dispute on the basis of the joint declaration.

Japan would welcome Russia's full recognition of its obligations under the declaration as a "start," Watanabe said.

Reflecting concerns that Yeltsin may be maneuvering to declare the dispute closed by pledging to return the two islands, Watanabe said there would be "absolutely no progress" if the sides simply regressed to their 1956 positions.

He noted that the territorial dispute was not resolved by the declaration, as it never addressed the fate of Etorofu and Kunashiri Islands, implying merely that negotiations over them should be continued.

The Kremlin disavowed its 1956 promise in 1960 amid an escalation of the cold war.

Watanabe demanded that Russia also somehow indicate its ultimate recognition of Japanese sovereignty over Etorofu and Kunashiri, in line with its espoused implementation of a foreign policy based on the principles of "law and justice."

He said the timing and manner of such recognition must be discussed in bilateral negotiations, which is all the more reason for Yeltsin to come to Japan.

Denying that Japan has been too tough in its territorial demands, Watanabe said, "We have not been calling for all-or-nothing."

Japan has become flexible in its demands but Russia has not reciprocated with concessions of its own, he said.

Noting that Yeltsin told Prime Minister Kiichi Miyazawa he postponed his visit due to factors in the Russian side, Watanabe shrugged off Yeltsin's subsequent remarks that Japanese inflexibility was to blame.

"He's a politician, so he makes political remarks, the same as in any country," Watanabe said, adding it is a common practice for politicians to say one thing to an overseas audience and another domestically.

Watanabe said Japan will continue to implement its policy toward Russia on the basis of Yeltsin's official remarks to Miyazawa.

Majority 'Trust' Gorbachev More Than Yeltsin

OW0510163692 Moscow INTERFAX in English 1435 GMT 5 Oct 92

[Following item transmitted via KYODO]

[Text] 70 percent of Japanese trust ex-Soviet President Mikhail Gorbachev more than the present Russian leader Boris Yeltsin, and they are in favour of the return of the former to the Russian leadership. Only 30 percent place any hope of an improvement in relations between the two countries in Yeltsin and his policies. These are the results of a public opinion poll carried out by the Japanese television company "NHK", the newspaper "FREE SAKHALIN" reported.

Representatives of "NHK" put this swing of favour from Yeltsin to Gorbachev down, firstly, to the cancellation of Yeltsin's visit to Tokyo (unofficial sources have quoted the total sum of money spent on preparing for the visit as 26 bn [billion] yen). The other reason, according to the television company's specialists, was the "Shikotan intrigue", when a Hong Kong firm was given a long-term lease on a large area of land on the island of Shikotan.

PRC Asked To Honor International Trade Rules

OW0810045992 Tokyo KYODO in English 0416 GMT 8 Oct 92

[Report by Keiko Tatsuta; third in series of "News Focus" articles on the emperor's visit to PRC, first and second parts not processed]

[Text] Tokyo, Oct. 8 KYODO—Emperor Akihito's trip to China may provide Japanese businesses with a chance to gauge the future direction of a bilateral trade relationship which has developed into one of the region's largest during the past 20 years.

Japanese Government officials and business leaders are tight-lipped about potential implications of the imperial visit for business dealings with China.

But in interviews with KYODO News Service, senior Japanese Government officials and executives expressed a strong desire for expanded and balanced trade with the Chinese.

For two-way trade to prosper more rapidly than in the past, they said, Japan wants China to conduct business under internationally accepted rules.

Japan used to submit to business terms advantageous to China because of a sense of guilt over its wartime actions, said Yukio Kitazume, director of the Northwest Asia Division of the Ministry of International Trade and Industry (MITI).

"Japan had somewhat a weakness for China in terms of business rules. But now we have to consider setting down fair trade rules," Kitazume said.

He suggested that China should rectify unfair trade practices if it wishes to join the General Agreement on Tariffs and Trade (GATT), a multilateral trade body.

In his 15th-floor suite overlooking the moated Imperial Palace, Marubeni Corp. Chairman Kazuo Haruna said he welcomes Chinese moves to join GATT. "We should consider drawing China out more onto the world stage," he said.

"Then, China's liberalization and reform in many senses would expand in such ways as to be accepted internationally," said Haruna, who is also vice chairman of the Japan-China Association on Economy and Trade, a group of major Japanese companies.

MITI Vice Minister Yuji Tanahashi also said China's moves to join GATT are in "a desirable direction," but added that there is a need for careful consideration of the Taiwan question.

Sino-Japanese trade has recovered from the effects of the June 1989 military crackdown on pro-democracy protesters in Beijing's Tiananmen Square, aided by China's economic liberalization policies under its eighth five-year plan for 1991 to 1995.

In 1991, Japan's exports to China reached some 8.6 billion dollars, up 40.2 percent from 1990, and imports from China came to 14.2 billion dollars, up 17.9 percent, according to Finance Ministry statistics on a customs-clearance basis.

Japanese exports included electrical appliances and machinery, while textile goods and foodstuffs were mainstay imports from China. Japan's automobile exports more than doubled last year to 341 million dollars from 146 million dollars in 1990.

Japan remained China's second-largest trading partner after Hong Kong last year, while China ranked fifth among Japan's trading partners, up from sixth in 1990.

When the two countries normalized diplomatic relations in 1972, bilateral trade totaled only 1.1 billion dollars, less than 5 percent of the record 22.8 billion dollars in 1991.

In the first half of this year, Japan's exports to China jumped 39.1 percent from a year earlier to 5.2 billion dollars, while imports from China increased 18.9 percent to 7.6 billion dollars.

The Japan External Trade Organization expects bilateral trade this year to top the 1991 figure and reach 26 billion dollars.

While U.S.-China relations have remained at a standstill over the human rights issue since the Tiananmen Square crackdown, Japan has lifted sanctions and provided China with technical and financial support.

Kitazume said Japan's enduring economic support can help liberalize politics in China, but the two countries may face political differences in the long run.

Marubeni's Haruna expressed the hope that China's liberalization and reform policies toward a "socialist market economy" will proceed smoothly and further boost bilateral economic relations.

He said China's economic strength could grow considerably toward the end of this century, assuming that a stable economy keeps politics stable.

Haruna said that a remarkable change that has occurred in the Beijing government since the Tiananmen Square incident is that Chinese officials listen to foreign criticism and are well aware of concerns over inflation, insufficient industrial infrastructure, and political changes that may occur after senior leader Deng Xiaoping goes.

"They are seriously considering ways of managing the economy from the viewpoint of macroeconomic control," he said.

Firm To Help PRC Aircraft Group Produce Cars

OW0910090592 Tokyo KYODO in English 0714 GMT 9 Oct 92

[Text] Tokyo, Oct. 9 KYODO—Fuji Heavy Industries Ltd. said Friday it has signed a contract with a Chinese aircraft manufacturer to help produce minicars in Guizhou Province.

The Japanese carmaker contracted for technical cooperation in its first tie-up with a Chinese corporation, company officials said.

The Chinese partner is Guizhou Aviation Industry Corp., an affiliate of the Chinese Ministry of Aeronautics and Astronautics Industry.

The plan is to start production of compact cars, based on Fuji Heavy's minicar 'Rex,' with an engine capacity of 550 cc by the end of this year, the officials said.

The Chinese company aims at manufacturing 10,000 cars a year within the next few years, they said.

They said the Chinese corporation is now shifting operation to civilian demand from military demand. Fuji Heavy, a former aircraft maker, will provide help to the Chinese corporation, they said.

Police Start Preparing for Cambodia Assignment

OW0610034892 Tokyo KYODO in English 0311 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—A group of 75 police officers assigned to join United Nations peacekeeping operations in Cambodia began a course of lectures Tuesday as part of preparations for their mission, government officials said.

The police officers are scheduled to leave for Cambodia on October 13 and arrive in Phnom Penh the following day. They are expected to train Cambodian police and take charge of security at refugee centers with their counterparts from other countries participating in the UN peacekeeping effort, the officials said.

The police officers will be the first from Japan to undertake police duties for UN peacekeeping activities.

The orientation course at the government's United Nations peace cooperation headquarters includes instruction in the Khmer language, wireless communication, how to cope with land mines, and health measures. The course will last for six days.

The Japanese Government approved a plan in early September to send more than 1,800 military and civilian personnel to Cambodia as peacekeepers.

The first and second advance missions from the Self-Defense Forces are already in the country to prepare for the arrival of the main engineering corps expected in mid-October.

Venture Established for Tokyo-SRV Distribution

OW0610101792 Tokyo KYODO in English 0947 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—Kanematsu Corp. said Tuesday it has established jointly with five Japanese companies a distribution company to operate between Japan and Vietnam.

Indochina Trans Service Co. will start operating Wednesday, dealing with shipping of various goods between the two countries, land distribution, and setting up of plant equipment for Vietnam from Japan, Kanematsu officials said.

The company is capitalized at 20 million yen, of which Tokyo-based Kanematsu, a major trading firm, has invested 30 percent, the officials said.

Its five partners, including shipping firms Suzue Corp. of Yokohama and Nagoya-based Meiko Trans Co., will each put up the rest of the capital by between 8 percent and 20 percent.

In Vietnam, state-run trucking group Viconship has been contracted as an agent, the officials said.

They said demand for shipping services is increasing between the two countries amid the Vietnamese Government's "doi moi" economic liberalization policy and Japan's resumption of Official Development Assistance to the country.

The new company aims at an annual 150 billion yen in sales for fiscal 1993 and to triple that by fiscal 1995, the officials said.

UN Security Council Restructuring Supported

OW0910104592 Tokyo KYODO in English 1033 GMT 9 Oct 92

[Text] Tokyo, Oct. 9 KYODO—Japan looks forward to the start of deliberations in the United Nations on restructuring the world body, including the composition of the Security Council, a Foreign Ministry spokesman said Friday.

"We certainly hope that there will be some collective consideration of this issue," spokesman Sadaaki Numata told foreign correspondents in a news conference.

"Exactly how the consideration might take place is yet to be seen," the spokesman said.

Noting that there are a number of countries other than Japan that also wish to see changes made in the Security Council and other UN organizations, Numata said, "It wouldn't be surprising if some kind of deliberative process might get under way on this issue."

Japan has recently been vocalizing its ambition for a permanent seat on the Security Council in recognition of its increased political and economic influence in world affairs.

Japan has argued the present structure and composition of the 15- seat Security Council is anachronistic, considering that the five major powers that emerged victorious at the end of World War II in 1945 are accorded permanent seats and veto power over resolutions.

Japan, which now holds one of the Council's 10, rotating nonpermanent seats for a two-year term, has suggested that 1995 is appropriate target date for a major UN overhaul as that year will be the 50th anniversary of the founding of the world body.

Judge Renominated for New Term on World Court

OW0610110192 Tokyo KYODO in English 1031 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—A Japanese judge on the International Court of Justice (ICJ) will be renominated as a candidate for a third term, the Foreign Ministry announced Tuesday.

Deputy Foreign Minister Kunihiko Saito said in a presentation that while Japan does not want its territorial dispute with Russia to be referred to the so-called World Court, "there's no way we could lose if it was."

Foreign Ministry officials said the decision to renominate Shigeru Oda, a judge and vice president of the ICJ was reached earlier in the day in a consultative meeting at the ministry's Iikura guesthouse.

The decision was arrived at by a group of high legal and academic authorities of Japan, as the ICJ statute stipulates that candidates must be nominated by their national legal peers, not by governments.

An election to choose five of the 15 judges to the ICJ for nine-year terms will be held in autumn 1993 sessions of the UN General Assembly and the Security Council.

Officials said that the Japanese Government will henceforth embark on an election campaign in support of Oda's candidacy.

Oda, a former Tohoku University professor of international law and an ICJ judge since 1976, is among the highest placed Japanese personnel serving in UN agencies, having held the No. 2 post at the ICJ since February 1991.

Deputy Foreign Minister Kunihiko Saito told members of a think-tank, the Japan Institute of International Affairs, that Tokyo has neither the intention nor desire to see its territorial dispute with Russia taken before the World Court.

He said the dispute over a group of Russian-occupied islands seized from Japan at the end of World War II should be resolved through bilateral negotiations and "political decisions" by both sides.

Saito said that it would take "too much time" for an ICJ settlement, entailing several years of case preparation and a number of years more for the court to reach a decision.

"We also want to avoid having a third party pass decision on a matter in which we are confident that our position is 100 percent justified," he said, adding that "there's no way we could lose."

In recent months, suggestions have emanated from some Russian circles that the dispute could be referred to the World Court.

Some voices have it that an ICJ decision on whether Russia should concede some or all of the disputed islands to Japan would carry more weight in Russian public opinion than a politically dangerous decision to do so by Russian President Boris Yeltsin.

Saito said Russia does not at the moment appear to be considering such an option, as Russian Foreign Minister Andrey Kozyrev recently stated the matter should be resolved bilaterally, without bringing in third parties.

Report Underscores Conditions on Foreign Aid

OW0510085492 Tokyo KYODO in English 0815 GMT 5 Oct 92

[Text] Tokyo, Oct. 5 KYODO—Japan's foreign aid policy in the post-cold war era aims to promote democratization and market economies in developing countries and to inhibit their accumulation of arms beyond their reasonable needs, according to a Foreign Ministry report released Monday [5 October].

The ministry's annual report on official development assistance (ODA) said that with the end of the cold war, Japan's ODA should play "a more active role in promoting democracy, human rights, peace, sustainable development, and other goals common to mankind."

It said Japan will review its aid policy when there are "profound reversals of democratization, grave violations of human rights, continuous and excessive military spending, and other trends which cannot obviously be overlooked by Japan and the international community."

The report represented an elaboration of the linkage concept formally announced in April 1991, when the ministry issued a set of ODA "guidelines." The guidelines were a clear move away, at least on paper, from Japan's previous reluctance to attach political conditions to its overseas aid.

The report said that in making the shift, Japan "drew on the bitter experience of the international community in having allowed Iraq to become a regional power."

It said the shift reflects Japan's concern that "regional balances may be destabilized by the eruption of regional and subregional conflicts which may have been suppressed under the previous cold war order."

The report stressed that other donor countries have similar aid policies and implementation methods in common and said they are all undergoing trial and error in their implementation.

The document said clear effects of the tentative policy should not be expected to be so evident in the short run, since the ideals Japan has in mind are "deeply related to the security and domestic policies of developing countries."

"In implementing these points, it is necessssy to note that specific situations such as security environment and economic and social background of each recipient country vary," it said.

While Foreign Ministry officials denied the policy would exercise a double standard, they nevertheless suggested the new guidelines would be selectively implemented by saying special consideration would be given to the depth and importance of a given country's relations with Japan, its population size, and its needs.

The apparent implication was that China and other countries of great strategic, political, and economic importance to Japan, but likely to fall afoul of the ideals, would not be as affected as more distant, minor countries.

The report gave as examples of its new prodding aid policy its suspension of new aid to Haiti after the October 1991 military coup there and to Myanmar [Burma], which has been in political turmoil since 1988 and is under military rule.

Japan also refrained from pledging new aid to Kenya and Malawi at international donor meetings for those countries "because of their disappointing political performances," it said.

Japan will take account of its pro-democracy aid guidelines in considering when to lift its suspension of aid to Zaire, it said.

The Foreign Ministry report said that by expressing concern to Indonesia and Thailand over the firing by troops on demonstrators in East Timor in November 1991 and in Bangkok last May, Japan helped prevent a worsening of the situations there.

It said Japanese demarches also prompted Peruvian President Alberto Fujimori to move earlier than he might otherwise have done in restoring democratic processes after he announced emergency measures last April.

"The importance of persistent efforts could not be overestimated," the report said, noting that the demarches by Japan and the international community led to desirable directions without having to reconsider Japan's aid to those countries.

The report said Japan has used its aid to facilitate new and fragile democracies in Mongolia, Nicaragua, and El Salvador, while it extended aid to Zambia especially in consideration of its first-ever smooth transition of power in the 27 years since its independence.

It did not elaborate on why Japan has refused to go ahead with full-scale assistance to impoverished Vietnam, except to say that the country has not given up one-party rule by the Communist Party.

Japan has been under pressure from the U.S. to withhold aid to Vietnam until Washington is satisfied that Vietnam has done all it can to repatriate the remains of U.S. servicemen killed during the Vietnam war and to search for possible surviving soldiers who were taken prisoner or went missing in action during the war.

The report said the policy has shown its effectiveness in that some recipient countries have approached Japan to explain their improved human rights records or their curbs on military spending.

Tokyo G-7 Summit Headquarters Director Appointed

OW0610101592 Tokyo KYODO in English 0857 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—Japan on Tuesday began preparing to host next July's summit of the leaders of the world's seven major industrialized countries in Tokyo, a Foreign Ministry spokesman said.

Spokesman Sadaaki Numata said the Foreign Ministry established a headquarters to prepare for the Tokyo Summit, which will be the third held in Japan so far.

The headquarters will consist of senior officials from a number of bureaus in the Foreign Ministry under a director, who will be Vice Foreign Minister Hisashi Owada.

Numata said a secretariat also was established Tuesday to prepare for receiving the summit delegations. He said it will be headed by Hiroshi Hashimoto, deputy director general of the Economic Cooperation Bureau.

Designation of Import Promotion Zones Considered

OW0910113092 Tokyo KYODO in English 1117 GMT 9 Oct 92

[Text] Tokyo, Oct. 9 KYODO—The government is considering designating seven free access zones across the nation as part of efforts to promote imports and foreign investment, officials said Friday.

The seven choices will be Chitose in Hokkaido Prefecture, Kobe, one area each in Osaka city and Osaka Prefecture, Matsuyama in Ehime Prefecture, Kitakyushu in Fukuoka Prefecture, and Omura in Nagasaki Prefecture, the officials said.

The idea behind the zones is putting together import-related facilities like distribution centers and international trade fair venues around harbors and airports, they said.

The Ministry of International Trade and Industry, the Ministry of Transport, and two other ministries concerned will make a formal decision next week on the zones after consultations, they said.

The government will provide subsidies, including low-interest loans, for local authorities to help get the zones off the ground.

A total of 31 prefectural authorities have offered to be part of free access zones, the officials said.

The government plans to select an additional 10 locations, for which the semigovernmental Japan External Trade Organization will conduct an industrial location survey at a cost of 10 million yen each, they said.

Two Candidates Register for Niigata Election

OW0510035192 Tokyo KYODO in English 0215 GMT 5 Oct 92

[Text] Niigata, Oct. 5 KYODO—Two candidates registered Monday for the October 25 gubernatorial election in Niigata Prefecture, called after the previous governor resigned because of his involvement in the Sagawa Kyubin money scandal.

Contesting the election are Ikuo Hirayama, 48, former branch chief of the Bank of Japan in Sendai, Miyagi Prefecture, who is backed by the ruling Liberal Democratic Party (LDP), the No. 1 opposition Social Democratic Party, Komeito, and the Democratic Socialist

Party, and Akira Nagasaki, 68, former president of Niigata University, who is endorsed by the Japanese Communist Party.

Hirayama, a native of Niigata Prefecture on the Sea of Japan coast, announced his candidacy late last month for the election to fill the post vacated by Kiyoshi Kaneko.

Kaneko, 60, stepped down September 1 after his acceptance of suspected illegal political donations from Tokyo Sagawa Kyubin Co. before the 1989 Niigata gubernatorial election came to light. Kaneko, the LDP candidate, won the election.

Kaneko and two of his election campaign organizers have been indicted on charges of violating the Political Funds Control Law by making false reports on the 100 million yen received from Tokyo Sagawa Kyubin, a now-defunct parcel delivery firm.

The LDP could not field a candidate of its own and decided to jointly support Hirayama because of the widening money scandal that is threatening to rock Prime Minister Kiichi Miyazawa's government, party sources said.

Hirayama, the first senior central bank official to run in a gubernatorial election, will advocate the continuation of Kaneko's policy of promoting closer economic ties between Japanese prefectures facing the Sea of Japan and four countries on the other side—China, North and South Korea, and Russia—and will not touch on the money scandal, his campaign office said.

Nagasaki, in contrast, will concentrate his attention on the Sagawa Kyubin scandal and call for the creation of politics free of dependence on money, his election campaign officials said.

Faction Members Support Kanemaru's Chairmanship

OW0510131892 Tokyo KYODO in English 1227 GMT 5 Oct 92

[Text] Tokyo, Oct. 5 KYODO—Senior members of the ruling party's largest faction agreed Monday that Shin Kanemaru should continue leading the faction despite his offer to resign over his involvement in a money scandal, faction officials said.

The members of the Liberal Democratic Party (LDP) faction founded by former Prime Minister Noboru Takeshita reached the agreement at two separate meetings, the officials said.

However, a majority of the participants called for a cautious approach for Kanemaru's resumption of factional activities, they said.

The senior members of the 110-member faction also agreed former LDP Secretary General Ichiro Ozawa should remain as acting chairman.

Ozawa, Kanemaru's right-hand man, tendered his resignation late September from the No. 2 faction post.

He made the move amid criticism from within the faction for not consulting members on the handling of Kanemaru's troubles after prosecutors repeatedly asked the LDP strongman to come in for questioning.

Some participants said discussions were held "in a candid manner," indicating they shared the view Kanemaru and the Takeshita faction still face harsh criticism from the public due to their alleged involvement in the scandal surrounding Tokyo Sagawa Kyubin Co.

Kanemaru, 78, resigned as LDP vice president in late August after acknowledging receipt of 500 million yen in political funds from Tokyo Sagawa before the February 1990 general election. He also offered to resign as faction chairman.

He paid a 200,000 yen fine last week after receiving a summary indictment on a charge of violating the political funds control law.

Kanemaru, who stayed shut inside his Tokyo home for 35 days after admitting accepting the money, resumed his political activities last Thursday, increasing expectations he will exert his influence in an anticipated reshuffle of the cabinet.

Monday's faction meetings, the first to be held since Kanemaru received his summary indictment, drew 15 senior members, such as Seiroku Kajiyama, the LDP's Diet Affairs Committee Chairman, former Finance Minister Ryutaro Hashimoto, and Finance Minister Tsutomu Hata.

Kanemaru and Ozawa did not attend.

Japan New Party Head Urges Kanemaru To Resign

OW0610130992 Tokyo KYODO in English 1221 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—Morihiro Hosokawa, president of a recently established minority party, the Japan New Party [JNP], Tuesday officially urged ruling-party kingmaker Shin Kanemaru to resign as a member of the House of Representatives for his involvement in the Tokyo Sagawa Kyubin money scandal.

Hosokawa, announcing the party's official view on the issue, also proposed a 10-point political reform plan, including reinforcement of penal regulations of the current political funds control law.

JNP is the first political party to put forward as its official view that Kanemaru resign and be summoned as a sworn witness before both Diet chambers.

Kanemaru resumed political activities last Thursday after 35 days of seclusion in his home. He paid a 200,000 yen fine for violating the political funds law after he admitted to accepting 500 million yen in donations from the now-defunct Tokyo Sagawa Kyubin trucking firm.

Other opposition parties have unofficially demanded that Kanemaru resign. Kanemaru resigned from his post as vice president of the ruling Liberal Democratic Party (LDP) in August but has not abandoned his Diet seat.

Hosokawa called Kanemaru's case "a terminal condition of the Japanese post-war political system" and said it should not be settled with a mere 200,000 yen fine.

"Kanemaru should resign to take responsibility for having looked down on the dignity of the law and having brought distrust to politics," Hosokawa said.

On the party's political reform proposals, Hosokawa said reinforcement of the political funds law should be deliberated intensively in the coming extraordinary Diet session slated for late October.

The JNP, which won four seats in the July House of Councillors election, will support some 30 candidates in the next lower house election, Hosokawa said.

The JNP will announce 10 of the party's first candidates for the general election later this month, will follow with its basic policy in mid-November, he said.

Hosokawa also revealed the party's plan to support a massive number of candidates in the Tokyo Metropolitan Assembly election next summer, which is regarded as a preliminary skirmish for the general election.

SDP To Investigate Hidden Political Funds

OW0610063892 Tokyo KYODO in English 0501 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—The Social Democratic Party (SDP) will launch an investigation of "hidden political donations" received by ruling party politicians, SDP Chairman Makoto Tanabe said Tuesday.

Referring to the Sagawa Kyubin money scandal, Tanabe told a study meeting of Japan's largest opposition party that the SDP will intensify its efforts to unravel possible pay off scandals involving ruling Liberal Democratic Party (LDP) lawmakers at the extraordinary Diet session expected to convene October 30.

The party will also demand that former LDP Vice President Shin Kanemaru be summoned to the Diet to testify as a sworn witness, and will seek his resignation from the Diet for accepting illegal political donations from Tokyo Sagawa Kyubin Co., Tanabe said.

Kanemaru, 78, resigned as LDP vice president in late August after acknowledging receipt of 500 million yen in political funds from Tokyo Sagawa Kyubin before the 1990 general election.

He reportedly distributed the money to fellow members of the LDP's largest faction founded by former Prime Minister Noboru Takeshita and headed by Kanemaru. The LDP's chief power broker paid a 200,000 yen fine last week after receiving a summary indictment on a charge of violating the political funds control law.

Kanemaru emerged last Thursday from 35 days of seclusion in his Tokyo home to resume political activities.

Turning to political reform, the SDP chairman also renewed his call for legislation to stop the recurrence of political scandals.

He spoke of the need to draw some conclusion in the next Diet session on ways to prevent political corruption so as to overcome the series of political scandals that have hit Japan in recent years.

Tanabe's remarks came a day after the SDP's investigation panel on corruption urged the Tokyo district public prosecutors' office to probe further whether politicians accepted bribes in connection with the Sagawa Kyubin scandal.

Tanabe also called for legislation to set stricter guidelines for the suspension of civil rights of politicians found guilty of corruption, based on the 18-point political reform plan agreed upon between the LDP and the opposition camp.

The governing party and opposition forces agreed on some aspects of the reform plan that covers four specific areas—political ethics, political funds, the electoral system, and Diet reform—during the last Diet session but failed to legislate them due to lack of time.

Mitsuzuka on Sagawa Kyubin Money Scandal Issue

OW0810145292 Tokyo KYODO in English 1426 GMT 8 Oct 92

[Text] Beijing, Oct. 8 KYODO—A major faction leader of Japan's Liberal Democratic Party (LDP) on Thursday said the governing party needs to make a clear settlement of the money scandal that led to the resignation of kingmaker Shin Kanemaru as party vice president.

Hiroshi Mitsuzuka, leader of the LDP's No. 2 faction, told reporters it is not enough merely for Kanemaru to take responsibility for his involvement in the Tokyo Sagawa Kyubin money scandal.

The party itself should take the blame and find some solution to mounting criticism from the public, said Mitsuzuka, who is currently on a four-day China trip.

Kanemaru earlier paid a 200,000 yen fine for accepting 500 million yen in political contributions from the now-defunct Tokyo Sagawa Kyubin delivery firm.

The political funds control law bars politicians from accepting over 1.5 million yen from an individual or a corporation in a single year.

Public anger has intensified after prosecutors issued Kanemaru with a summary indictment allowing him merely to pay the 200,000 yen fine without submitting to questioning.

'Feud' Intensifying in LDP's Leading Faction

OW0810164892 Tokyo KYODO in English 1526 GMT 8 Oct 92

[Text] Tokyo, Oct. 8 KYODO—The feud among leading figures of the governing Liberal Democratic Party's [LDP] No. 1 faction intensified Thursday as the faction's deputy leader criticized the founder of the faction, former Prime Minister Noboru Takeshita, over the handling of a money scandal involving kingmaker Shin Kanemaru, political sources said.

In a meeting with faction members Thursday night, Ichiro Ozawa, the faction's deputy leader and Kanemaru's closest aide, criticized Takeshita for lacking the perception to see that he himself would be threatened if Kanemaru falls.

If Kanemaru leaves the faction's leadership, Takeshita will directly face public anger over the Tokyo Sagawa Kyubin money scandal, the sources quoted Ozawa as saying.

Ozawa vowed to defend Kanemaru to the last, even though the latter is under public pressure to give up his Diet seat or leave the governing party and assume political responsibility for his involvement in the scandal, the sources said.

Kanemaru and Ozawa have managed the No. 1 faction since Takeshita fell from power in 1987 in the wake of his involvement in the Recruit bribery scandal.

However, anti-Ozawa sentiment has emerged among senior faction members since Kanemaru admitted receiving 500 million yen from Tokyo Sagawa and announced his resignation as LDP vice president in late August.

On Wednesday, senior faction members met and agreed to manage factional affairs in a collective leadership.

On Thursday, a group of faction members proposed promoting former LDP Secretary General Keizo Obuchi and former Finance Minister Ryutaro Hashimoto as deputy heads of the faction.

Both Hashimoto and Obuchi are regarded as close associates of Takeshita.

Miyazawa Comments on Kanemaru, Yeltsin Issues

OW0910074292 Tokyo KYODO in English 0718 GMT 9 Oct 92

[Text] Tokyo, Oct. 9 KYODO—Prime Minister Kiichi Miyazawa reiterated his "regret" Friday over ruling party kingmaker Shin Kanemaru's involvement in the Tokyo Sagawa Kyubin scandal, and said he was determined to reform the money-guzzling political system.

It was the second time for Miyazawa to make public comments on former Liberal Democratic Party (LDP) Vice President Kanemaru's receipt of 500 million yen in illegal political contributions from the now-defunct Tokyo Sagawa Kyubin Co. trucking firm.

Miyazawa opened his speech before a business luncheon by expressing appreciation for the embattled Kanemaru's support in passing legislation such as the controversial UN peacekeeping cooperation and in maintaining party unity prior to his August resignation as LDP vice president.

"Kanemaru's receipt of a summary indictment for violating the political funds control law is really an extremely unfortunate matter," Miyazawa said.

He noted that Kanemaru has reflected on his action, and has pledged to never repeat it during his lifetime.

"I am determined to introduce political reforms so that this sort of thing will never happen again. We must recover trust from the people," Miyazawa said.

His remarks came as demands for Kanemaru's resignation and a thorough investigation into the incident crescendo across the nation.

Miyazawa provided no new details on his plan for political reforms, which he addressed in the last five minutes of an hour-long speech devoted primarily to the economy.

Miyazawa vowed to continue with his double-pronged approach of introducing legislation on emergency fundraising and electoral reforms at the Diet session expected to open October 30, and working toward sweeping reforms at a more gradual pace.

On the economy, Miyazawa said he was optimistic because of its latent power.

"I'm not that worried about the future of our economy," he told the 1,600 member audience assembled at a Tokyo hotel.

Miyazawa said he was pleased a private-sector plan to bail out banks burdened with bad real estate loans is unlikely to require public funds.

In August, Miyazawa said the government was prepared to assist the plan if necessary.

Turning to Russia, Miyazawa said President Boris Yeltsin does not seem to be correctly informed about Japan.

Russia seems to be considering rescheduling Yeltsin's aborted visit here when "normal conditions," are restored, Miyazawa said.

Miyazawa appeared to be referring to what his Chief Cabinet Secretary Koichi Kato described earlier in the day as confusion in the Russian administration.

Japan has responded coolly to an offer by Yeltsin earlier this week to reschedule his visit here if Tokyo agrees to a 1956 declaration promising the return of the smaller two of the four disputed islands.

Tokyo says to resolve the dispute, Moscow must recognize Japanese sovereignty over all four islands, seized by the Soviet Red Army at the end of World War II.

After abruptly calling off a September 13-16 visit to Japan, Yeltsin has criticized Miyazawa personally for taking a rigid position on the issue.

Miyazawa also predicted slow progress in Russia's negotiations with the International Monetary Fund on working out a plan to revamp its economy.

Kanemaru Said Considering Resigning From Diet

OW0910121892 Tokyo KYODO in English 1153 GMT 9 Oct 92

[News analysis]

[Text] Tokyo, Oct. 9 KYODO—Shin Kanemaru, the nation's top political power broker, is considering resigning from parliament amid public outrage over his involvement in the Tokyo Sagawa Kyubin scandal, several Kanemaru associates say.

Kanemaru may step down before the upcoming extraordinary Diet session because he is particularly loathe to submit to questioning in the legislature, said one close associate. "He doesn't like criticism and it would damage his pride."

Opposition parties are demanding that Kanemaru appear as a sworn witness to answer questions at the Diet session expected to be convened on October 30. The opposition wants to question him about the 500 million yen in illegal campaign contributions he admitted receiving from the Tokyo Sagawa Kyubin delivery company and his alleged connections with mobsters.

Speculation that Kanemaru may resign has been fanned over the past week by the increasingly vociferous calls from a broad cross-section of Japanese society for Kanemaru to step down.

From inside the ruling party, a group of junior Diet members have tacitly called for the ouster of Kanemaru from the party.

More than 130 local assemblies have passed anti-Kanemaru resolutions, with some accusing him of undermining democracy in Japan.

Opposition parties, business leaders, and lawyers are critical of Kanemaru, with dozens of citizens groups organizing protest petitions, demonstrations and hunger strikes.

"The likelihood (of Kanemaru stepping down) is increasing as opposition to his resignation within the Liberal Democratic Party (LDP) is decreasing," under pressure from local constituencies, said political analyst Takashi Inoguchi.

"Even if he does not resign, his power will be seriously reduced," said Inoguchi, a professor at the University of Tokyo.

It is not clear how Kanemaru's troubles will affect Prime Minister Miyazawa, whom he helped bring to power last fall. Miyazawa is expected to stay afloat at least until next October when his two-year term expires, said Minoru Morita, a political commentator.

Kanemaru's rapid descent from power has taken the political world by surprise.

As recently as a fortnight ago, many political insiders had thought Kanemaru's August 27 acknowledgement of having received the funds—even before prosecutors pressed charges—and his prompt resignation as LDP vice president would satisfy anticipated public demand he "take responsibility" for running afoul of the law.

But the public was particularly incensed by prosecutors' decision to allow Kanemaru to avoid questioning by submitting a written confession and paying a 200,000 yen fine on the 500 million yen worth of illegal contributions.

Under the political funds control law, politicians are not allowed to accept more than 1.5 million yen a year from a single individual or company.

Associates say Kanemaru, head of the largest of the LDP's five major factions, founded by former Prime Minister Noboru Takeshita, does not believe he committed a serious crime because he was only one of many beneficiaries of the troubled trucking firm's largess.

Kanemaru is reported to have passed on the money to his "keiseikai" faction members in a gesture that is part of a well-established pattern in LDP politics, whereby political bosses are expected to disburse funds to loyal followers.

Kanemaru may try to fend off criticism by offering to leave the LDP, or declaring he will not run in the general election expected next year, but that is unlikely to appease the public, said political commentator Morita.

A possible scenario is that, as tension mounts, Kanemaru may declare that he intends to quit parliament, and no one will plead with him to change his mind, said Morita.

"As long as there are people who insist that he stay in the Diet, it will be difficult for him to resign," said Morita.

Kanemaru and his heir apparent Ichiro Ozawa, a former LDP secretary general, miscalculated when they attempted to put a lid on the scandal with a swift confession, says Tokyo University's Inoguchi.

Had Kanemaru, 78, employed the proven strategy of insisting on his innocence, as many politicians have done before him, then the cumbersome legal system would have guaranteed a delayed conclusion, he said.

By the time the sentence would have been issued "he might have been dead," Inoguchi said.

Approval Rate for Cabinet Slips to '31.4' Percent

OW0710051892 Tokyo KYODO in English 0426 GMT 7 Oct 92

[Text] Tokyo, Oct. 7 KYODO—The support rating for the cabinet of Prime Minister Kiichi Miyazawa decreased slightly to 31.4 percent in October compared with the results of a similar poll in June, according to a survey released Wednesday [7 October] by KYODO News Service.

June's approval rate for the cabinet was 32.4 percent.

Miyazawa enjoyed his greatest support last December, shortly after his cabinet was launched, when approval in the KYODO poll reached 50.9 percent. It dropped to a low of 24.1 percent in March.

The disapproval rating of the current administration checked in at 61.4 percent in October, only a marginal increase from June's 61.0 percent, but showing that Japanese who disapprove of Miyazawa outnumber supporters two-to-one.

KYODO conducted the survey covering 3,000 eligible voters nationwide October 3-4 and 1,957 or 65.2 percent of those surveyed responded.

The survey said 44.2 percent of the people supporting the Miyazawa cabinet gave as their reason that there is no suitable alternative candidate for the post, the largest percentage ever to give this as a reason in all the surveys so far.

A mere 14.2 percent said they trust the prime minister, compared with the previous 17.4 percent, while 4.9 percent said they believe in his diplomacy, down from 8.1 percent in June.

Even with talk of the ruling Liberal Democratic Party (LDP) drafting a tough political reform bill next month, only 2.1 percent said they approve of Miyazawa because they can look forward to him bringing about reforms.

As reasons for disapproving of the cabinet, 28.3 percent said they do not think it can bring about political reforms, reflecting people's growing distrust of politicians in general in the wake of the Tokyo Sagawa Kyubin scandal. This percentage was up from 21.6 percent in June.

Survey respondents also apparently saw a lack of political alternatives, with support for the leading opposition Social Democratic Party sliding from 21.7 percent to 15.2 percent.

Support for the LDP slipped from 48 percent to 46.6 percent, while Komeito registered 4.2 percent, the Japanese Communist Party 2.3 percent, and the Democratic Socialist Party 2.2 percent.

The Japan New Party, which was established in July and garnered four seats in the House of Councillors elections, drew even with Komeito at 4.1 percent.

Still, the ratio of people refusing to support any political party leaped from 11.9 percent in June to 21.8 percent in the October poll.

Major Banks Reportedly Meet Capital Rules

OW0310073992 Tokyo KYODO in English 0549 GMT 3 Oct 92

[Text] Tokyo, Oct. 3 KYODO—With Tokyo stock prices rebounding and the yen rising to a record high against the dollar, major Japanese banks all met international capital requirements in the fiscal first half ended September 30, bankers said Saturday.

The rules, set by the Basel-based Bank for International Settlements (BIS), requires internationally active banks to have capital equivalent to 8 percent of risk-weighted assets by the end of March 1993.

Under BIS rules, up to 45 percent of unrealized gains on stockholdings are counted as capital, meaning that higher stock prices make it easier for banks to abide by the BIS requirements.

With the Tokyo stock market in the cellar, the Japanese banks, except Sakura Bank, had met the BIS requirements as of March 31 this year.

But many banks since had been worried about the BIS requirements as the key Nikkei stock average plunged below the crucial 15,000 level this summer.

According to bankers, the capital-to-asset ratio stood at around 8.5 percent for many of the 11 top commercial banks, known as city banks, as of September 30.

The ratio was given as roughly 9 percent for the long-term credit banks and trust banks.

Bankers said the yen's sharp appreciation against the dollar in recent weeks also helped push the ratio higher as banks saw the value of their overseas assets drop in yen terms.

Official Blames Yen's Rise for Stock Decline

OW0510105892 Tokyo KYODO in English 1021 GMT 5 Oct 92

[Text] Tokyo, Oct. 5 KYODO—A top Finance Ministry official on Monday blamed the yen's continued strength for the downturn of the stock prices in Tokyo.

The official, who spoke with Japanese reporters on condition of anonymity, said the stock market is reacting in a negative way to the yen's upswing against the dollar.

He said Finance Minister Tsutomu Hata is scheduled to meet U.S. Federal Reserve Board Chairman Alan Greenspan next week in Tokyo to discuss measures to stabilize the currency market.

The official, however, showed some optimism about the stock market, predicting it will turn upward before long as an increasing number of economic indicators are beginning to show business conditions are bottoming out.

On Monday, the key Nikkei index declined for the seventh consecutive trading day, sinking below the 17,000 yen line momentarily for the first time in nearly a month and a half.

The ministry official also pointed to the recent downfalls in overseas markets like New York and London as one of the factors depressing the Tokyo market.

The U.S. employment data released last Friday was perceived by the market as slightly stronger than expected, and created a view that the U.S. is unlikely to lower interest rates any time soon, and therefore Japan will probably not cut interest rates, the official said.

He attributed the yen's strength to the perception it is backed by better economic fundamentals than other major currencies.

On the meeting between Hata and Greenspan next week, the official said they will have frank discussions for "a stable currency market and also on the global economy."

He denied market rumors that public funds are buying stocks in the Tokyo market under instruction of the ministry to stem the decline.

The official also brushed off growing calls in the ruling Liberal Democratic Party for issuing debt-financing bonds to finance tax cuts or other economic stimulus measures.

He reiterated the ministry is dead set against issuing debt-financing bonds, arguing there are "voices of the world" calling for the securing of sound fiscal conditions.

He said in the recent international financial meetings, top financial officials of major countries stressed in unison the importance of fiscal restructuring.

"Once we take the step, there will be no end. We should firmly gird ourselves against falling into the temptation."

To the calls for issuing the bonds, he said, "I would say over my dead body."

MITI Head Concerned at Falling Stock Prices

OW0610063192 Tokyo KYODO in English 0407 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—International Trade and Industry Minister Kozo Watanabe on Tuesday expressed concern over falling stock prices in Tokyo and drops in U.S. and European stock markets.

Watanabe told a press conference after a cabinet meeting that the recent downward trend is "undesirable."

He noted that after the government released a massive economic rescue package in late August, stock prices and exchange rates remained at "appropriate levels," with the Nikkei stock average at more than 18,000 and the U.S. dollar quoting around 120 yen.

On Tuesday, the key Nikkei index slipped 57.97 points to end the morning at 17,043.53.

Watanabe attributed the slide in Japanese stock prices mainly to technical factors such as companies' settlement of accounts at the end of September.

He expressed his wish to investigate the situation from "the psychological and actual points of view" and to find ways to boost stock prices.

Business Chief Uno Urges Consumption Tax Hike

OW0510134292 Tokyo KYODO in English 1112 GMT 5 Oct 92

[Text] Osaka, Oct. 5 KYODO—The government should raise Japan's consumption tax in the medium term to curb excessive reliance on income taxes as a revenue source, the head of the Kansai Economic Federation (Kankeiren) said Monday.

Osamu Uno's remarks to reporters reflected a demand the Osaka-based business leaders' group made earlier in the day in a call for a review of the national tax system.

Kankeiren urged a raise in the 3 percent consumption tax and a cut in income and corporate taxes to adjust the ratio of the government's dependence on direct and indirect taxes.

Of an ongoing debate concerning the Kansai International Airport now under construction, Uno voiced support for allowing planes using the airport to fly overland.

"It seems rational as it has advantages like enabling airplanes [to] save fuel," Uno said, adding that planes could use routes that would minimize the noise in populated areas.

The airport being built in Osaka bay is slated to open in 1994 as Japan's first 24-hour airport.

Disclosure of Bank Management Information Urged

OW0610133292 Tokyo KYODO in English 1123 GMT 6 Oct 92

[Text] Osaka, Oct. 6 KYODO—Bank of Japan Governor Yasushi Mieno said Tuesday financial institutions, facing tough business conditions after the burst of the "bubble" economy, should actively disclose management information to help restore their credibility.

Speaking before business leaders in the Kansai region, the central bank chief said domestic financial institutions face tough criticism from the business sector and the media in the aftermath of a series of scandals.

He suggested the institutions debate on possible measures to liquidate their nonperforming loans and disclose information on their management conditions.

Mieno also called on the financial sector to nurture a competitive environment, while beefing up its capital to raise credibility both domestically and abroad.

He reiterated the central bank will enhance its monitoring to know the management conditions of financial institutions.

Business leaders have urged the central bank to take an increasingly flexible monetary policy and lower interest rates to stimulate the economy.

But Mieno only said the bank aims to contribute to attaining growth without inflation or creation of further speculative bubbles.

Ministry Denies Public Funds Used in Fraud

OW0610062992 Tokyo KYODO in English 0409 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—The Finance Ministry (MOF) denied a newspaper report Tuesday that there have been suspicious stock dealings involving public funds.

The SANKEI SHIMBUN said in its morning edition Tuesday that some major brokerages and trust banks conspired to manipulate stock prices as the trust banks manage public funds for securities investment.

The newspaper did not identify the major brokerages and trust banks in question.

Citing "sources concerned," the newspaper said the trust banks asked the brokerages to manipulate stock prices so that they could purchase stocks at the previous day's closing prices.

"Placing orders at the previous day's closing prices as cited in the newspaper article is part of normal trading, and there are no violations of the law," said an official at the ministry's securities bureau.

The official was speaking on condition of anonymity and did not elaborate.

A chief broker at one of the "big four" major brokerages brushed aside the newspaper report, saying that his brokerage has not committed to any illegal transactions.

"We received an order from a financial institution for 100 issues of shares at the previous day's closing prices, but we have not accepted orders that violate rules. There is no problem," the broker said.

Banks To Dispose of 10 Trillion Yen in Holdings

OW0610143992 Tokyo KYODO in English 1356 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—A proposed collective institution to be set up by the banking sector will purchase an estimated 10 trillion yen worth of property that banks hold as collateral on bad loans, banking sources said Tuesday.

The sum will be unveiled when Tsuneo Wakai, head of the Federation of Bankers Associations of Japan, announces the framework of the property-buying institution at a regular press conference Tuesday next week.

The sources said the amount is almost equal to the total bad loan-related debt believed to be held by major banks.

The country's banking sector is laden with an estimated 30 trillion yen of nonperforming loans, which are defined in Japan as loans that are producing no interest payments for more than six months.

The total includes some 10 trillion yen that is stifling the 21 largest banks, which include commercial, long-term credit and trust banks.

The Ministry of Finance will reveal the figures by the end of the month, based on ongoing hearings on banks and their "nonbank" affiliates, in a bid to dispel lingering concerns about the Japanese banking system.

The property-buying institution, the centerpiece of the government's economic bailout package announced in late August, is designed to rescue banks that have been wrestling with the aftereffects of the burst of the speculative "bubble" economy.

Since the burst, the banks have had difficulty selling off collateral holdings, thus leaving them with swollen bad loans.

Under the initiative of major banks like Mitsubishi Bank, the banking sector has been drawing out a framework for the institution. It is likely to take shape within the year.

The sources said the planned purchases of collateral property by the institution is expected to not only buttress banks but give an overall stimulus to property transactions, which are static in the post-bubble discretion.

Wakai, who serves as president of Mitsubishi Bank, will also unveil a new scheme for alleviating bad loan burdens vexing smaller financial institutions, the sources said.

The scheme, they said, calls for establishing several new companies that will engage entirely in writing off losses that smaller institutions are likely to incur when they sell collateral property at current, dramatically deflated prices to the property-buying entity.

The idea is aimed at avoiding large-scale writeoffs of real estate sale-induced losses by financially fragile smaller institutions, according to the sources.

Panel Starts Reviewing Economic Structure

OW0610034792 Tokyo KYODO in English 0243 GMT 6 Oct 92

[Text] Tokyo, Oct. 6 KYODO—An advisory panel to the trade minister began a review of the nation's economic structure Tuesday in seeking a better quality of life and greater compatibility with the global economy, Ministry of International Trade and Industry officials said.

A subcommittee under the Industrial Structure Council discussed the economic system in terms of industrial structure, corporate behavior and competition, employment, and the financial sector, among others, the officials said.

The subcommittee also discussed the effects of changes such as the labor shortage, the aging of the working population, moves to cut working hours, and the greater diversity of people's sense of values, they said.

The panel, comprising 22 members from academic, industrial, labor, and media circles, is expected to work out an interim report by next spring after holding study meetings once or twice a month.

Mieno: BOJ To React to Large Currency Moves

OW0610063592 Tokyo KYODO in English 0414 GMT 6 Oct 92

[Text] Osaka, Oct. 6 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Tuesday the central bank will "respond adequately" if it sees excessive moves in the foreign exchange market.

With respect to Japan's economy, Mieno told a press conference in Osaka that conditions are still severe but a foundation for recovery is gradually being formed.

On monetary policy, he said the central bank will continue to monitor the effects of the past official discount rate cuts.

Mieno said domestic inventory adjustments should peak in the not too distant future.

But he admitted that signs are mixed about the direction of the economy, saying dull private consumption is serving as a negative force, while housing investments support the bottom edge.

The U.S. dollar, which was trading in the 127 yen level a month ago, finished Tuesday's morning session in Tokyo at 119.75 yen.

Dealers attribute the depreciation mainly to worries over the sluggish U.S. economy and mounting expectations over lower interest rates in that country.

Mieno reaffirmed, however, that Japan's interest rate policy will not be affected by monetary actions overseas.

"Other nations conduct monetary policies that suit their own conditions and even if they decide to reduce their interest rates, that does not mean Japan will follow suit," he said.

Turning to nonperforming assets held by domestic financial institutions, Mieno sounded optimistic, saying their fundamental strength and profitability are solid, and they are fully capable of overcoming the problem.

The central bank governor is currently on a three-day visit to Osaka and Kyoto, which ends on Thursday [8 September].

Major Tax Shortfall, Supplementary Budget Viewed

OW0910100892 Tokyo KYODO in English 1001 GMT 9 Oct 92

[Text] Tokyo, Oct. 9 KYODO—Substantial tax revenue shortfalls resulting from the economic slowdown may force the government to compile a small-scale supplementary budget of several hundred billion yen later this month, Finance Ministry sources said Friday.

The sources said the ministry expects tax revenues to be 4 trillion yen to 5 trillion yen short of its projections at the beginning of fiscal 1992 on April 1.

The ministry now plans to appropriate the entire 1.53 trillion yen surplus carried over from fiscal 1991 for the supplementary budget, the sources said.

They said the extra fiscal program will be submitted for approval to an extraordinary session of the Diet to be convened late this month.

They said the ministry anticipates an increase of about 2 trillion yen in government expenditures due to additional outlays for public works projects included in the government's pump-priming package worked out in August.

In the face of the gloomy revenue outlook, the ministry will slash subsidies to local governments and clamp tighter controls on spending by the central government, while transferring revenues amounting to several hundred billion yen from the Bank of Japan and the Japan Racing Association to make up the supplementary budget, they said.

Tax grants to local government will be slashed by 1.2-1.5 trillion yen, the sources said.

In addition, they said, construction bonds worth about 2.2 trillion yen will be issued to finance public works projects.

Government expenditures for public works projects will reach 1.96 trillion yen, including the amount for repairs after natural disasters, and additional fiscal spending will total about 2.5 trillion yen, including pay hikes for government personnel and other projects, such as subsidies to housing and urban development corporations, the sources said.

Lower interest rates will help the government save several hundred billion yen in expenditures for servicing outstanding national bonds, they said.

The sources said the government may be forced to slash the original budget for the first time in six years if the tax revenue shortfall is larger than expected.

The government slashed the original budget by 263.8 billion yen in fiscal 1986 when the economy was hit by the steep rise in the value of the Japanese yen.

Miyazawa Warns Economy 'Remains Shaky'

OW0910035592 Tokyo KYODO in English 0329 GMT 9 Oct 92

[Text] Tokyo, Oct. 9 KYODO—Prime Minister Kiichi Miyazawa called Friday for the thorough implementation of the government's pump-priming package, warning the domestic economy remains shaky, officials said.

The government officials said Miyazawa made the appeal at a meeting of cabinet ministers in charge of economic affairs Friday morning.

"The domestic economy still does not warrant any presumptions and I would like you to make sure that the economic measures will be implemented thoroughly, though they are being carried out steadily," Miyazawa was quoted as saying of the package of economic stimulation measures adopted by the government in late August.

Miyazawa said he is ready to compile a supplementary budget as soon as possible in response to a request by the ruling Liberal Democratic Party, according to the officials.

Finance Minister Tsutomu Hata, meanwhile, said he has no immediate plan to forge additional measures to stimulate the economy.

Hata told reporters after the cabinet meeting the domestic economy still is retreating, requiring steady implementation of the government package.

He said the economic measures, including the expedited implementation of public works spending, are taking effect.

Hata also said the dollar is gaining ground due to the absence of a U.S. interest rate cut.

He said the special quotations for October options apparently were responsible for the drop Friday morning in Tokyo stock prices.

The government's 10.7 trillion yen economic package emphasizes public works projects.

In a later speech at a Tokyo hotel, Miyazawa expressed optimism about economic recovery.

Citing a worsening supply-demand situation in the labor market, Miyazawa said the economy will recover before a full-scale employment adjustment is required.

The prime minister welcomed moves by banking institutions to form a bad-debt resolution corporation without seeking government funds. He earlier said the government was ready to provide funds for the proposed company.

Meanwhile, Takeshi Noda, director general of the Economic Planning Agency, told a news conference the government's economic measures have so far progressed satisfactorily.

He declined comment on whether the economic package would help the government attain its target of 3.5 percent economic growth in fiscal 1992.

"What is important is to put the economy on the path to recovery," he said.

Tokyo To Raise Housing Loan Limit for Workers

OW0910013992 Tokyo KYODO in English 0127 GMT 9 Oct 92

[Text] Tokyo, Oct. 9 KYODO—The government decided at a cabinet meeting Friday [9 October] to raise the limit on housing loans to 40 million yen from 30 million yen for workers who deposit money in property-accumulation savings accounts, government officials said.

It also decided to lower an interest rate on such loans to 4.81 percent per annum from 5.27 percent, retroactive to October 1, they said.

The decisions form part of a 10.7 trillion yen government economic pump-priming package adopted in August, which includes a plan for expanding the housing loan system, they said.

New Toyota Chief's 'Bullish' View Questioned

OW0610090192 Tokyo KYODO in English 0834 GMT 6 Oct 92

["News Focus"]

[Text] Nagoya, Oct. 6 KYODO—The new president of Toyota Motor Corp. has a bullish view on the business outlook, but many others in the automobile industry wonder if he really recognizes the situation both at home and abroad.

Tatsuro Toyoda, who succeeded Shoichiro Toyoda as president of Japan's No. 1 automaker in September, told a press conference September 29 that Toyota plans to boost its annual sales at home and overseas to six million vehicles by the end of the decade from the current 4.9 million.

The new president believes that the key to healthy management is "to indicate a simple target," and that room still remains to expand in the global automobile market.

He apparently inherited the bullish strategy from the former president, who had been calling for sales of six million vehicles at meetings with parts makers and dealers since mid-1991, said industry sources.

Adopting such aggressive targets has been Toyota's secret of success, including the 50 percent domestic market share and the 10 percent global share aimed at in the 1980s.

"Aside from attaining the goals, we've seen substantial effects from designing targets," said a Toyota executive.

But now that the saturated domestic market is expected to be largely limited to replacement demand, strategies focused on overseas markets have become an industry consensus for further growth.

Toyota has been cementing its foothold to expand sales and production overseas. It has purchased land to build new plants in Thailand and Brazil, and is now actively conducting market surveys to make inroads into new regions in Latin America.

Some industry officials, however, wonder why Toyota is not aware that such an aggressive stance may stir overseas criticism and also lead to reckless sales activities at home.

On top of this, the company is facing chronic shortage of production engineers due to rapid overseas expansion in the past 10 years, and the poor domestic performance is forcing it to slow the pace of plant reinforcement that requires a high personnel input and huge investment, said the officials.

Import Car Distributors Reinforce Sales Network

OW0210142092 Tokyo KYODO in English 1357 GMT 2 Oct 92

[Text] Tokyo, Oct. 2 KYODO—Japanese distributors of foreign cars, suffering from reduced sales, are reinforcing their sales networks and strategies, industry analysts said Friday.

Sales of imported cars in the first nine months of the year were down 8.6 percent from the previous-year level.

The analysts forecast sales in the whole of the year at 180,000 vehicles, the second consecutive year that the figure was somewhat short of the previous year's level.

Yutaka Okumura, senior managing director of Mitsuwa Motors Ltd., forecast that the sales of foreign cars will probably recover in 1993 to about 190,000 vehicles.

But he also predicted intensified sales competition between Japanese and imported car dealers amid a growing trend among Japanese cars toward "international vehicles."

Peugeot Japon has decided to invite a British company to invest in the firm so that resulting funds can be used to strengthen its advertising and sales system.

Saab Automobile Ab has named Mitsuwa Motors Ltd. to be a new distributor succeeding Seibu Motor Sales Co.

In a related move, Volkswagen Audi Nippon K.K. Friday completed an imported car center on the grounds of its head office in Toyohashi, Aichi Prefecture, central Japan.

The center is intended mainly to prepare imported cars for sale in Japan.

The center is fitted with a maintenance shop capable of servicing up to 100,000 vehicles a year, a large automated tower car park that can hold up to 5,400 vehicles, and a parts warehouse able to accommodate up to 60,000 car parts.

The center is due to go into full operation next January.

The three major U.S. automakers, including General Motors Corp., are transferring authority to their Japanese sales outlets.

They are also preparing to put right-hand-drive cars on the Japanese market by about 1994 in a full-scale attempt to beef up their sales in Japan.

U.S. House Approves Plutonium Risk Study Bill

OW0610001592 Tokyo KYODO in English 2329 GMT 5 Oct 92

[Text] Washington, Oct. 5 KYODO—The U.S. House of Representatives on Monday approved by overwhelming majority a bill directing the President to undertake a safety study of plutonium shipments planned by Japan.

Meanwhile, the State Department reiterated that the U.S. Government has no objections to the shipment plan, which has triggered concern among countries located on the route likely to be used by the Japanese ship.

"We think it constitutes a sound basis on which to undertake the shipment, that it addresses both safety and security concerns," State Department Spokesman Richard Boucher told reporters Monday.

The safety study measure, contained in sweeping energy legislation approved by a joint House-Senate committee Thursday, cleared the lower house with a 363 to 60 vote.

The plutonium safety provision requires that the administration submit a report on the study to Congress 60 days after enactment of the bill.

Approval by the full Senate is expected before the 102nd session of Congress adjourns, possibly Tuesday.

The measures approved in the House-Senate bill specifically target Japan's plan to ship tons of reprocessed plutonium from Europe.

A Japanese cargo ship refitted to carry the plutonium cargo is already on its way to France to pick up the first shipment.

The plutonium, extracted from spent fuel of U.S.-supplied uranium, is intended for use in the Japanese nuclear energy program, the Japanese Government said.

Under the provisions of the Energy Bill, the study will focus on the safety of the casks containing the plutonium as well as safety risks to U.S. coastal states or territories which could potentially be exposed to an emergency port call by the Japanese ship.

A number of countries located on the possible shipment route have expressed concern about the shipment program because of potential incidents involved with the extremely toxic substance, which is a key ingredient for making nuclear weapons.

No Emergency Port Arrangements for Plutonium

OW0510092792 Tokyo KYODO in English 0840 GMT 5 Oct 92

[Text] Tokyo, Oct. 5 KYODO—Japan does not plan to make advanced arrangements to call at foreign ports should the plutonium-bearing Akatsuki Maru run into trouble during its voyage from Europe, the top government spokesman said Monday.

"In the off chance that there is an emergency, we will consult with concerned countries at that time. But we are making thorough preparations so we are not supposing there will be any emergency situations," Chief Cabinet Secretary Koichi Kato told a news conference.

He made the comments after Bernard Dowiyogo, president of Nauru, declared the ship would not be allowed to enter his Pacific island nation's only port even in case of an emergency.

Dowiyogo, joined by Gov. Lorenzo I Guerrero of the Northern Mariana Islands and Sen. Marilyn Manibusan of Guam, issued a statement Monday calling for the halt of the shipment because Tokyo has not obtained consent from nations along the route.

Japan has kept the shipping plans for the one-ton load of toxic plutonium cloaked in secrecy in a bid to preempt possible terrorist attacks.

The South Pacific representatives, here to attend an Asia-Pacific forum protesting the shipments, also said in a statement they are concerned about safety precautions and the possibility of the proliferation of plutonium, a key ingredient in nuclear weapons.

They called on the United Nations to conduct an independent analysis on the risks posed by the shipment and to introduce tougher safety standards to ensure casks encasing the plutonium will be able to withstand even the most severe accidents.

Key participants in the three-day forum, joined by academics and antinuclear activists from the Philippines, Indonesia, New Zealand, and the United States, plan to submit the statement to the Japanese Government Tuesday.

Forum Urges Nations To Oppose Plutonium Shipment

OW0510134192 Tokyo KYODO in English 1258 GMT 5 Oct 92

[Text] Tokyo, Oct. 5 KYODO—An international symposium against Japan's plutonium shipment closed Monday [5 October] after participants adopted a statement calling on all nations which may possibly be along the ship's route to voice their opposition to the shipment.

The statement adopted at the Asia-Pacific forum pointed out the lack of sufficient safety measures for the plutonium shipment expected later this year.

It also said Japan has not consulted with or gotten agreements from the nations along the ship's possible route, and called on the nations in the Asia-Pacific region to oppose the shipment.

About 100 academics, activists, concerned citizens as well as diplomats from 15 countries attended the three-day forum.

Japan maintains that it has taken sufficient safety precautions to transport plutonium to Japan by sea, but it has not revealed details about the shipments, including the actual route, for security reasons.

The first shipment of plutonium recovered from spent Japanese nuclear fuel is expected to leave France for Japan later this year aboard the 3,800-ton Akatsuki Maru.

The statement also called on the United Nations to set up an independent committee to analyze the risks posed by the shipment.

Japan's nuclear power industry plans to use 80 to 90 tons of plutonium through 2010, of which some 30 tons are to come from Europe, according to the Foreign Ministry's Nuclear Energy Division.

Experts say a one-ton shipment of deadly plutonium, if it met with accident, could kill people hundreds of kilometers away.

North Korea

South's Spy Case Called 'Smear Campaign'

SK0910014592 Pyongyang KCNA in English 2316 GMT 8 Oct 92

[Text] Pyongyang October 8 (KCNA)—The Committee for the Peaceful Reunificiation of the Fatherland in a statement today branded the results of investigation into the "case of the Workers' Party of Korea in South Korea" fabricated and published on October 6 by the South Korean "security planning board" as an offspring of serious political crisis of South Korea and an anti-DPRK smear campaign and strongly demanded that this smear campaign be immediately stopped.

As for the "case of the Workers' Party of Korea in South Korea" faked up by the puppet security planning board, its name is big but its content has nothing to do with the North, and it is a preposterous falsity contrary to the elementary rules of organisational building of the Workers' Party of Korea, the statement said.

Noting that the results of investigation is practically levelled at the "presidential elections", it said that through this the South Korean authorities intend to increase the function of the fascist repressive tools and adjust and reinforce the anti-communist fascist system.

The South Korean fascist clique cannot take away to prisons tens of millions of South Korean people who want independence, democracy and reunification and bind them to chains, the statement said, stressing they must unconditionally and immediately release all those who have been arrested on the charge of involvement in the fictitious "case".

CPRF Statement on Espionage Case

SK0910020992 Pyongyang KCNA in English 2229 GMT 8 Oct 92

["CPRF Issues Statement on Results of South Korea's Investigation Into 'Case of the Workers' Party of Korea in South Korea'"—KCNA headline]

[Text] Pyongyang October 8 (KCNA)—The Committee for the Peaceful Reunification of the Fatherland [CPRF] today issued a statement, branding the results of investigation into the "case of the Workers' Party of Korea [WPK] in South Korea" fabricated and published by the South Korean "Security Planning Board [SPB]" as a groundless anti-DPRK plot and strongly urging the South Korean authorities to immediately stop the smear campaign.

According to the "results of investigation," the "Workers' Party of Korea in South Korea" is the South Korean local party of the WPK consisting of central, Seoul-Inchon, Kyongsang provincial, and Cholla provincial branches. It is the largest case ever since the "case of the Workers' Party of South Korea" in the past. About 60 persons have been arrested and hundreds of others are made the objects of investigation. Those under investigation included political, opposition, labour, academic, dissident, press and religious circles and various walks of life.

The puppet Security Planning Board alleged that the North, with the goal of "unifying the country under communism" by 1995, dispatched a "high-ranking spy chief" to form a "local operation headquarters" in South Korea and that those involved in this organisation infiltrated into various sectors and social strata of South Korea and manipulated the anti-American, anti-fascist movement behind the scene.

The results of investigation published by the puppet SPB are a fabrication like all the previous ones, the statement notes, and continues:

In South Korea, the "SPB" recently took to the police guiltless people without warrants of arrest, searched dwelling houses and offices without warrants of search and confiscated documents under the pretext of the "case of the southern chapter of the Workers' Party of Korea" and did not allow the detainees to meet with their families and even lawyers. This fascist outrage became a serious social and political problem.

Under this situation, the "SPB" let loose a string of sophism to justify its illegal action and repeatedly declared it would publish the results of investigation some day, saying that it was "investigating without any distortion this time" although it was true that in the past the SPB published spy ring cases timed to coincide with unrest in the political situation at home, thus earning distrust from the people."

It is the "case of the Workers' Party of Korea in South Korea" that was published by the SPB, taking issue with the North. Although the name is big, the content has nothing to do with the North. It is a drama written by themselves in the secret room in Mt. Nam in Seoul before staging it.

They alleged that a "high-ranking spy chief" of the North spent ten years in South Korea and personally directed the building of the party with some ten "persons from the North." But, how could the "SPB" which is called a master hand at intelligence, supervision and repression fail to know that so many "operatives" were active in Seoul for a long time?

Moreover, they allege that Hwang In-ho whom they described as chief secretary of the central regional committee of the "Workers' Party of Korea in South Korea" made a secret trip to the North on October 17, 1990, absorbed by the North's "chief operative" and received "spy education," joined the Workers' Party of Korea, and was appointed as chief secretary of the central regional committee of the "WPK in South Korea" on the mission of founding the central regional party during his stay for six nights and seven days and returned home on October 23 the same year. It contradicts common knowledge that he received such education and was assigned to such an important task in such a short span of time without so much as "examination."

It is contrary to the elmentary rules of organizational building of the Workers' Party of Korea to appoint a "chief secretary for a party oganization which is yet to be founded and allow the "chief secretary" to appoint the party's Central Committee members. Such a party organization cannot belong to the WPK and, for sure, it must be a party invented by the "SPB" at will.

Further still their failure to give details about Hwang In-ho and other hardcore elements such as their position, address, age, family relations, only goes to increase the suspicion that they are characters concerned with the "SPB" or fictitious persons.

They went so far as to allege that the North made such a party with the goal of achieving "reunification by communization. We have consistently insisted on reunification through a confederacy and never conceived any idea of "reunification through communization."

The contents of directives allegedly issued to the local organization by the North for the "reunification through communization" are sufficient to prove how preposterous their talk about it is. They asserted that the North issued such directives as the withdrawal of U.S. Forces and nuclear weapons, the abolition of the "National Security Law" a halt to the suppression of democratic forces, an end to the "security-oriented" rule, establishment of a democratic government and the achievement of reunification through a confederacy, etc. These are slogans the South Korea people raised by themselves and have fought to carry them into effect without "directives from the North."

Such sogans are by no means for "communization" but patriotic and democratic slogans for freeing themselves from foreign domination and subjugation and terminating the fascist repressive rule and thereby realizing the national independence, democratization of society and the peaceful reunification of the country.

If it is true, as pointed out in the "SPB's" investigation results, that the members of this party organization followed the chuche idea, revering the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il whom the whole world respect and look up to unanimously, there is nothing wrong with them either from the national point of view or from the democratic point of view on freedom of ideological study and belief.

And if they fought under anti-U.S., anti-fascist slogans as they alleged, it is also a patriotic and righteous deeds that deserves high appreciation. It cannot be regarded as a crime, however hard they may try to connect it with the North in a far-fetched way.

The puppet "SPB, in an effort to make the faked-up case appear monstrous and connect it with the North, employed the habitual method of advertising that they seized 1,554 pieces of 121 kinds including pistols with a sound suppressor, live bullets, audio apparatus's, poison ampules and a cryptographer's book. Such articles may testify to the scale of a case, but they cannot be evidences to prove its connection with the North.

Branding the investigation results of the South Korean "SPB" as one more preposterous anti-DPRK campaign, the CPRF strongly denounces it in the name of the whole nation who aspire after national rconciliation and peaceful reunification of the country and the democratization and independence of South Korean society.

It is because of their serious political crisis that the South Korean authorites ordered the "SPB" to fabricate and publish a tricky anti-DPRK case again this time the statement goes on:

The South Korean authorities had been engrossed in writing scenario from long ago, seeing in their customary "shock remedy" a way out of the unfavourable situation prevailing on the threshold of the "presidential elections".

In the publication of the results of the investigation into the "case of the Workers' Party of Korea in South Korea" they alleged that a number of "agents sent to the South" were active in Seoul and all other parts of South Korea and they were engaged in secret activities in political circles and different domain of society and among people of various social strata. In this they intended to incite war and confrontation with the North among the South Korean people.

At the same time, they openly revealed their intention to totally suppress and stifle the followers of the chuche idea, voluntary communism, Chonminnyonn [National Democratic Alliance of Korea] Chondaehyop [National Council of University Student Representatives], and other independent and democratic organizations in South Korea, labelling them as "forces seeking to overthrow the state" under the behind-the-scene manipulation of the North.

Further, they claimed that the North gave an "order" to support the candidate of the Democratic Party in the presidential elections," openly seeking to threaten and suppress the Democratic Party and other opposition parties and let the "Democratic Liberal Party" remain in power at any cost.

Publishing the results of the investigation they cried for the "readjustment and strengthening of the anti-communist posture," intending to increase the function of the "SPB" and other fascist repressive tools and adjust and reinforce the anti-communist, fascist system, challenging the people who call for the abolition of the "National Security Law" and dissolution of the "SPB".

The South Korean authorities must unconditionally and immediately release all those who have been arrested on the charge of involvement in the factitious "case" and stop the anti-DPRK smear campaign at once.

It is the "SPB" that has taken the lead in dampening the popular sentiments of national reconciliation and peaceful reunification of the country and it is also the "SPB" that has served as the general headquarters of the brutal, fascist crackdown on the righteous, patriotic struggle of the people or independence, democracy, and reunification.

The puppet "SPB" must be dismantled immediately and the "National Security Law," an anti-reunification fascist law, be abolished unconditionally.

The South Korean people of all walks of life must resolutely reject the fascist clique's anti-DPRK smear campaign and struggle more powerfully for independence, democracy and reunification.

They must not yield to the desperate suppression by the fascist clique nor have the slightest illusion about the socalled formation of a neutral cabinet, but actively struggle for the establishment of a genuine democratic coalition government as demanded by themselves on the basis of close unity of the pro-reunification democratic forces of various social strata on the occasion of the "presidential elections." They must also launch an all-people movement more dynamically for the implementation of the North-South agreement and the joint declaration on the denuclearization of the Korean peninsula and for the promotion of peaceful reunification.

CPRF Says NSP Fabricated Spy Case

SK0910043892 Pyongyang Korean Central Broadcasting Network in Korean 0500 GMT 8 Oct 92

[Statement issued by the Committee for the Peaceful Reunification of the Fatherland on 8 October—read by announcer]

[Text] Statement of the Committee for the Peaceful Reunification of the Fatherland [CPRF]:

Recently, South Korea unprecedentedly kicked up a vicious commotion to aggravate North-South relations and strengthen fascist suppression, provoking our Republic. On 6 October, South Korea's Agency for National Security Planning [NSP], which is notorious for anticommunist strategic commotions, fabricated and announced another preposterous anti-Republic strategic incident, that is, the results of an investigation of the so-called incident of the Workers Party of Korea [WPK] of South Korea.

It is alleged in the investigation announcement that the South Korean WPK is the Workers Party of Korea's local party in South Korea and consists of four local parties, in the central district, in Kyongin District, in Yongnam District, and in Honam District in South Korea. It is also said that this incident is the largest since the incident of the South Korean Workers Party of Korea in 1948. The NSP said that approximately 60 people were arrested on charges of involvement in the incident; that hundreds of people are being investigated; and that broad segments of society, including politicians, dissidents, workers, scholars, movement organizations, the press, and religious figures, are targeted for investigation.

It is said that the puppets' NSP investigated the central local party of the South Korean WPK. The NSP announced that it had found that approximately 400 people are involved in the organization of the central local party. The NSP said that it is expanding its investigation to the Kyongin local party, the Yongnam local party, and the Honam local party and that the true colors of these local parties is being or already has been revealed. The NSP added that a large number of people are involved in the local parties.

The puppets' NSP announced that under the plan to realize reunification by communizing the South by 1995 we organized a local operative leading organization by dispatching a major operative agent to the South. The puppets' NSP added that those involved in the organization have infiltrated every field and all strata of society in South Korea and have pulled the strings in the anti-U.S. and antifascist movement.

The investigation result, announced by the puppets' NSP, is nothing but a fabricated plot. Recently in South Korea, under the pretext of the South's local party of the WPK, the NSP removed innocent people without arrest warrants and kicked up the commotions of searching and confiscating dwellings and offices by breaking in them without search warrants. The NSP high-handedly conducted fascist barbarities of preventing family members from meeting arrested family members. Worse still, the NSP prevented lawyers from meeting the arrested people. Such tyranny by the NSP was raised as a serious social and political issue.

Faced with such a situation, the NSP said that, even though it is true that it earned the people's distrust by announcing espionage incidents in the past when the domestic political situation was unstable, it is investigating this incident without distortions. While making excuses to justify its illegal activities, it many times promulgated that it would announce the investigation results. This is none other than the incident of the South Korean Workers Party of Korea, to which they have linked us. The implications of the incident is enormous. However, the contents of the incident have nothing to do with us. The incident is a self-fabricated drama the scenario of which was invented and produced by the NSP itself in a room in Mt. Namsan in Seoul.

The NSP said that the North's leading figure for espionage operations directly commanded the work to establish this party by commanding about 10 agents sent to the South while hiding out in Seoul for 10 years. How in the world could the NSP, which is regarded as an expert in obtaining information, conducting surveillance, and oppression, not know of so many agents walking around the streets of Seoul for so long and how could it keep silent? Moreover, the NSP said that Hwang In-o is a responsible secretary of the central local party of the South Korean WPK and that he was brought over to our side by a responsible figure for espionage operations. It said that on 17 October 1990 he slipped into the North, stayed there for seven days and six nights, and received so-called espionage training and joined the WPK. It also said that he was appointed responsible secretary of the central local party of the South Korean WPK, received tasks to establish the central local party, and returned on 23 October 1990. Judging from common sense, no one can understand how he could have earned such an important task after receiving so little training and could have avoided any investigation in such a short time.

Saying that a responsible secretary has been appointed when the party has not even been established or that a responsible secretary has appointed the party's central members is not in conformity with the primary norms of constructing a WPK organization. Therefore, that kind of party cannot be the WPK. It can only be a party fabricated by the NSP itself. The current job, address, age, and family relations of core figures, including Hwang In-o, were not mentioned at all. This all the more raises doubts that these figures are either NSP officials or fictitious figures.

Moreover, the NSP said that we established that kind of party to achieve reunification through communization. We have consistently insisted on reunification through the confederal system. We have never considered achieving reunification through communization.

Achieving reunification through communization, about which the NSP is babbling, is very preposterous. This is well shown in the instructions that it says we supposedly gave to the organization in its region to achieve reunification through communization. It said that we gave instructions for the withdrawal of U.S. troops and nuclear weapons; the abolishment of the National Security Law; an end to the oppression of democratic forces; an end to security-oriented rule; the establishment of a democratic government; and reunification through the confederal system. Even without receiving instructions from the North, these slogans were struggles that the South Korean people themselves had carried out. Moreover, these slogans are by no means directed toward achieving communization. They are patriotic and democratic slogans to realize the nation's independence, society's democratization, and the country's peaceful reunification by freeing oneself from the domination and subordination of outside forces and putting an end to fascist oppressive rule.

The South Korean rulers' act of trying to persistently link these slogans to us by saying that we are to achieve reunification through communization is indeed a very brazen-faced act. As pointed out in the announcement on the investigation results by the NSP, if it is a fact that the members of this party admire the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who are consistently respected and followed by the world's people, and have faith in the chuche idea, this is no wrongdoing at all from a national position, from a democratic view on studying ideology and ideas, or from the freedom of faith. Also, if it is a fact that they struggled by upholding the anti-U.S. and antifascist slogans, this is also a patriotic and rightful act. This should be highly assessed. This cannot be a crime by unreasonably linking it with us.

To escalate this incident into a very serious incident and link it to us, as it habitually does, the puppet NSP announced that it had confiscated a total of 1,554 items of 121 different kinds, including pistols with silencers, live ammunition, radios, poison ampules, and tables of random numbers. That equipment may be evidence of the scale of this incident but cannot be evidence linking us to it. All of these facts show that even though those who fabricated this strategy used painstaking efforts, it is more rubbish that is neither true nor convincing.

The CPRF brands the announcement by the South Korean NSP on the investigation as more groundless, antirepublic slander. The CPRF strongly condemns the NSP in the name of all fellow countrymen who yearn for national reconciliation, the country's peaceful reunification, and democracy and independence in South Korean society.

The South Korean authorities had the NSP fabricate another antirepublic slander incident and announce it. This is related to the serious political crisis they are facing. As a result of our active and sincere efforts, the North and South adopted and effectuated the Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange and have been working to implement this agreement. Therefore, the South Korean people increasingly aspire for national reconciliation and peaceful reunification, not antagonism and confrontation between fellow countrymen. The South Korean people are boldly waging an anti-U.S., antifascist struggle with an earnest desire to end the military dictatorship by taking advantage of the upcoming South Korean presidential election, establish a democratic coalition government, implement genuine democratic politics, free themselves from U.S. rule and their subjugation to the United States, and achieve national independence and sovereignty.

It is clear that this trend is a headache to the South Korean ruling circles and the antinational, toadyist nation-sellers who are trying to find an exit by extending their anticommunist, fascist dictatorship. On top of this, the Democratic Liberal Party [DLP] is embroiled in internal disputes because various factions strive for the presidency, and the irregularities and election fraud by the current Sixth Republic regime are being revealed. As a result, the DLP and the current regime are being alienated from public sentiment. In an attempt to find a way out of this complicated and unfavorable situation in a stereotypical shock therapy, the South Korean authorities have painstakingly mapped out a script. In the announcement of the investigation into the South Korean WPK, they fabricated the story that several agents who were sent to the South strutted in and across South Korea, infiltrated political circles and various social circles, and engaged in underground activities. In this way, they try to inspire terror and a need for confrontation with the North among the South Korean people. They also described all people who believe in the chuche idea as homegrown communists and the National Democratic Alliance of Korea, the National Council of University Student Representatives, and other independent democratic organizations in South Korea as forces who, with us behind the scenes pulling the wires, as trying to overthrow the state. In this way, they openly disclosed an attempt to suppress and annihilate them.

In particular, the South Korean authorities fabricated the story that we had sent an order to support the Democratic Party's candidate in the upcoming presidential election. In this way, they are openly threatening and suppressing the Democratic Party and other opposition parties and re-creating a DLP regime at all costs.

Furthermore, by announcing the results of their investigation, they are attempting to strengthen the functions of fascist repressive organizations, including the NSP, and to reinforce the anticommunist fascist system, thus challenging the people's demand for the abolition of the National Security Law and dissolution of the NSP. They also raved about readjustment and intensification of the counter-communist stance.

With a script designed to catch three or four birds with one stone, the South Korean ruling bunch fabricated and then announced the result of investigation. Thus, it is frantically running amok trying to achieve its criminal purpose.

The recent investigation proves that the South Korean authorities are not willing to implement the North-South agreement and that they can never achieve democratization and independence of society—the desire of the South Korean people—and national reconciliation and unity.

The recent investigation is in actuality designed for the presidential election and reflects the NSP's direct interference in them. Therefore, it shows that the declaration of the NSP's neutral position in the election is a barefaced lie.

The South Korean ruling bunch should clearly realize that it cannot evade a crisis with antinational fascist slanderous smear maneuvers.

It is the ardent desire of all the people and a demand of national history to pursue reconciliation and cooperation between the North and the South and the nation's peace and reunification.

Nothing and no one can block the flow of the time which advances along the normal track of history. The South Korean fascist clique may arrest and imprison innocent people by linking them to a slanderous smear incident but it can never cast billions of South Korean people, who aspire to independence, democracy, and reunification, into prison. It can never bind their desire and aspirations with iron chains.

The South Korean ruling bunch should immediately and unconditionally release all of the people it arrested by linking them to a preposterous incident and should immediately stop antirepublic smear maneuvers.

The NSP blocked the people's feelings for national reconciliation and the nation's peaceful reunification in South Korea, and the NSP is the very headquarters of fascism, bestially repressing the people's just, patriotic struggle for independence, democracy, and reunification.

The puppet NSP should be immediately dissolved and the National Security Law, an evil fascist antireunification law, should be unconditionally abolished.

The South Korean people from all walks of life should resolutely reject the antirepublic smear maneuvers of the fascist clique and should more fiercely wage the struggle for independence, democracy, and reunification.

The South Korean people should not surrender to the fascist clique's last-ditch repressive maneuvers nor should they cherish a even slight degree of fantasy for formation of a neutral cabinet. Democratic reunification forces from all social strata should firmly unite and actively struggle to form a genuine democratic coalition government according to their own demand with the forthcoming presidential election as a momentum. They should more vigorously carry out the pannational movement to implement the North-South agreement and the joint denuclearization declaration and to expedite peaceful reunification.

Sooner or later, the anticommunist fascist violent gale [kwangpung] will be driven out of South Korea and a strong wind of independence, democracy, and reunification will blow more fiercely.

[Dated] 8 October 1992, Pyongyang

ROK Deputy Prime Minister's Visit Cancelled

SK0910064092 Pyongyang KCNA in English 0612 GMT 9 Oct 92

[Text] Pyongyang October 9 (KCNA)—The North side sent a telephone message to the South side on the postponement of the Pyongyang visit of the South Korean "deputy prime minister."

The sides were to have a working contact at Panmunjom this afternoon on the visit of the South Korean "deputy prime minister" to Pyongyang which was scheduled for October 14 by agreement. But the South side is said to have unilaterally decided to put off the visit by bringing forward a so-called "spying case" and notify the North side of this.

Recalling this, the telephone message said:

If the reports are true, we feel very regretful at such perfidious act of the South side as freely reversing and giving up the agreement, setting unreasonable and unjustifiable conditions.

As the world people know, the "spying case of the Workers' Party of Korea" advertised by the South side these days is nothing but one more customary "shock remedy" which it applies whenever its internal situation is unstable.

The South side faked up the so called "spying case" which has nothing to do with us and use it as a pretext to block the Pyongyang visit of the "deputy prime minister." We cannot construe this otherwise than a very insidious and dangerous act to tide over the unstable political situation of South Korea and, furthermore, bring the North-South relations back to the original point of confrontation.

Taking a serious view of the South side's act in virtually shelving the Pyongyang visit of the "deputy prime minister" in violation of the agreement between the sides, we warn that the South side will have to bear full responsibility for the consequences arising therefrom.

Considering it unnecessary for the working officials of the sides to meet, since the South side has decided to postpone the Pyongyang visit of the "deputy prime minister" under an unreasonable pretext, we notify you that our side will not go to the contact slated for this afternoon.

South 'Distorting' Results of Contacts

SK0810105792 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 8 Oct 92

[Text] Contacts between both sides' delegates to the North-South high-level talks were held in Panmunjom two times, on 1 and 5 October. The contacts were held behind closed doors according to the South side's proposal. Both sides had agreed not to make public the contents of the meetings. However, from the beginning, the South side has unilaterally made public the status of the process of these contacts, which is against the North-South agreement. After the contacts, the South side conducted rude activities to provoke us, entirely distorting the facts. Under such circumstances, our side recognized the need to announce the true status of the contacts domestically and abroad and issued a detailed report. These contacts were held because of an informal proposal by the South side's prime minister at the eighth round of North-South high-level talks held last mid-September.

At a contact with the South side's prime minister on 16 September, our side's premier urged that the issue of repatriating Yi In-mo, which our side had proposed at the previous high-level talks, should be settled within 1992. In connection with this, the South side's prime minister said that it would be difficult to realize the work of exchanging the visiting groups of elderly parents and art troupes at this moment and that the South side is in a very difficult position to realize this work. He instead proposed to establish a meeting place in Panmunjom for separated family members. He also proposed to us to repatriate Yi In-mo, former war correspondent of the Korean People's Army, to our side at the first meeting of separated family members in Panmunjom.

The next morning, in a car after visiting Sohae lockgate, the South side's prime minister once again referred to the issue of establishing a Panmunjom meeting place and of repatriating Yi In-mo. He expected our side to inform him of our side's stance on these issues through responsible liaison officials. In the same evening, our side officially answered that our side agreed to the South side's proposal.

The South side's delegates to the North-South high-level talks who had come to Pyongyang told our side's delegates that since the exchange of visiting groups of elderly parents and art troupes was aborted, a meeting place for separated family members should be established at Panmunjom instead and that if our side agreed with this it would repatriate old man Yi In-mo when the first reunion of separated family members occurred. Therefore, at the eighth North-South high-level talks in Pyongyang, this was the same as reaching complete agreement between the North and South premiers on establishing a meeting place for separated family members at Panmunjom and on the issue of repatriating old man Yi In-mo. What was left now was how to promote working-level negotiations on this matter.

On 25 September, through a responsible liaison official of its delegation to the North-South high-level talks, the South side proposed to our side to hold delegates' contacts at Panmunjom to discuss the issue of repatriating old man Yi In-mo and establishing a meeting place for separated family members. Our side agreed to this. Therefore, on 1 October at Panmunjom, a contact was held by the delegates to the North-South high-level talks to discuss the issue of repatriating old man Yi In-mo and establishing a meeting place for separated family members at Panmunjom. Stemming from the fundamental purpose and mission of this delegates' contact, our side made a momentous proposal to establish a meeting place at Panmunjom for family members dispersed in the North and South as soon as possible so that the first reunion of separated family members could be realized within 1992 and old man Yi In-mo could be repatriated at the same time. Our side also proposed that separated family members should be able to reunite at the Panmunjom meeting place repeatedly in the future as well.

There can be no preconditions or conditions for exchange to repatriate old man Yi In-mo. It was our side's active and rational proposal, which stems from an earnest and sincere position, to be faithful to the matters already agreed to by both sides' premiers and also to repatriate old man Yi In-mo to his hometown, where his loving wife and children are, as soon as possible and at the same time to realize the reunion of separated family members as soon as possible.

However, in the contact on that day, the South side told a lie by saying that its side's prime minister did not reach an agreement with our side's premier to resolve together the issue of repatriating old man Yi In-mo and establishing a meeting place for separated family members at Panmunjom. This runs counter to the promise on which both sides had already agreed. Regarding the issue of repatriating old man Yi In-mo, it said that this should be linked to exchanging visiting groups of elderly parents on a regular basis and that this is linked to the issue of a person kidnapped to the North. It made a preposterous claim by saying that discussions should be held by adding various complicated conditions. This reveals its secret intention to create an artificial barrier in resolving the issue of repatriating old man Yi In-mo and in delaying his repatriation.

In this connection, our side recollected in detail the matters that were agreed upon by the premiers of both sides at the eighth North-South high-level talks in Pyongyang and matters that were negotiated between the Cooperation and Exchange Subcommittee chairmen at a meeting.

After listening to our side's aboveboard claim based on actual data, the South side's delegates recognized that both sides' premiers had agreed to jointly resolve the issue of repatriating Yi In-mo and the issue of establishing a meeting place in Panmunjom. However, the South side's delegates persistently set various unreasonable conditions for the resolution of the issues.

Under such circumstances, our side repeatedly urged the South side to act sincerely according to both sides' agreement. Being at a loss as to what to say, the South side said it would once again consult with its prime minister on the issues. It proposed that the issues be constantly discussed at the next contact. Thus, both sides came to hold the second contact on 5 October.

At the second contact, our side once again claimed that according to the agreement between both sides' premiers, a meeting place in Panmunjom should be established, the first reunion of separated family members should be realized within 1992, and Yi In-mo should be repatriated to the North.

However, at the second contact, the South side reversed the agreement. It repeated the same claim that it had made at the first contact, creating artificial stumbling blocks to the contact. The South side's delegates claimed that if the exchange of the visiting groups of elderly parents were realized first and if the issue of repatriating those who had volunteered to defect to the North for life were discussed, then the issue of establishing a meeting place in Panmunjom and the issue of repatriating Yi In-mo could be discussed. It is very surprising that the South side's delegates raised such absurd issues, ignoring the agreement between both sides' premiers.

As for the issue of exchanging the visiting groups of elderly parents, our side initiated the issue at the seventh North-South high-level talks. We, who initiated the issue, are more concerned over it than the South side. Everyone already clearly knew what caused the work to exchange the visiting groups of elderly parents, for which both sides had agreed to a date for exchange, to end in a rupture.

Even after agreeing to the date for exchanging the visiting groups of elderly parents, based on the party-government meeting's decision that unless the nuclear issue were resolved, no progress in the North-South relations could be expected and the implementation of any North-South agreement should be postponed, the South side frustrated the work to exchange the visiting groups of elderly parents.

Timed to coincide with the date for exchanging the visiting groups of elderly parents, the South side conducted the large-scale Focus Lens joint military exercise along the entire area of the Military Demarcation Line, where the visiting groups of the North and the South should cross.

The South side's prime minister said in Pyongyang that the work to exchange the visiting groups of elderly parents is too heavy a burden for the South side. He instead proposed establishing a meeting place in Panmunjom for the separated family members. Nonetheless, the South side is advocating that the issue of exchanging the visiting groups of elderly parents be discussed. Judged from any angle, this can be construed as unreasonable.

At the same time, the South side made an absurd proposal that Yi In-mo be repatriated along with those who had defected to the North. This is a very brazen act. As we have already expressed many times about those who had defected to the North from the South, they left the South side's society and volunteered to defect to the North for life. After coming to the northern half of the Republic, they are leading a happy life and are enjoying the true life of a person. Therefore, they clearly expressed their position that they will never return to South Korea.

As even a mere child knows, it is all too clear that old man Yi In-mo, who wants to go to the North from the South, and a person who does not want to go to the South from the North cannot be targets for exchange. On that day, our side questioned without fail why the South side was ignoring this stark reality and creating complications in discussing the issues. Our side continuously urged it to return to its original position as agreed.

Nevertheless, the South side's delegates even reversed the words made by their side's prime minister to our side's premier. Later, it assumed a defiant attitude of not holding discussions to establish a meeting place for separated family members at Panmunjom or to repatriate old man Yi In-mo. The beginning of the contact of North and South delegates to the North-South high-level talks was good, but results that should have been achieved were not. The contact only brought disappointment to the nation.

The unjust act by the South side in the process of the contacts revealed that in reality it does not want to establish a meeting place for separated family members at Panmunjom and that it has no intention at all to relieve the pains of the separated family members. The delegates reversed the promise made by the premier and reversed today the remarks they made yesterday. All these unfaithful acts show that the South side has no interest in resolving the humanitarian issue of relieving the pains of the family members and relatives living in the North and South.

Of course, this was not the first time that the South side has acted unfaithfully in North-South relations. After sealing before the nation the three principles of independence, peaceful reunification, and great national unity, which is a program for the fatherland's reunification, it said that it could not predict our fate by this single piece of paper. Therefore, one day the South side proclaimed that this was just a blank piece of paper. After signing the North-South agreement, the South side said that this was nothing but a gentlemen's agreement. It is the South side who is avoiding the duty of implementing the North-South agreement.

All such insidious acts in the past as well as today in South Korea were all fabricated according to the scenario of the Agency for National Security Planning [NSP]. The process of the delegates' contacts clearly shows this. The act of easily reversing the promise made by the prime minister, who represents the authorities, was once again carried out because of the NSP's intervention.

Establishing a meeting place for separated family members at Panmunjom and the issue of repatriating old man Yi In-mo were originally completely settled during the eighth North-South high-level talks at Pyongyang; thus these were issues for which a working-level agreement could have been reached and put into practice. However, during the eighth North-South high-level talks, from the beginning, NSP agents made slanderous remarks everywhere to break their prime minister's promise in Pyongyang. Their insidious scheme was ultimately connected to the Panmunjom delegates' contacts.

Therefore, another hope to establish a meeting place for separated family members at Panmunjom and to relieve the pains of separated family members which had developed after a long time have disappeared. We cannot by any means tolerate the fact that even in resolving the humanitarian issue, the reunion of separated family members was prevented by the NSP's intervention.

The South Korean authorities cannot free themselves from the responsibility of betraying faith and causing more disappointment to the nation. Also, they must be completely responsible for all consequences and apologize before the nation. We will continue to exert enduring efforts to resolve the issue of establishing a meeting place for separated family members at Panmunjom and the issue of repatriating old man Yi In-mo.

North-South Contacts Detailed

SK0910022492 Pyongyang KCNA in English 2300 GMT 8 Oct 92

[Text] Pyongyang October 8 (KCNA)—A detailed report on the contacts of delegates to the North-South high-level talks was published today as the South side addressed itself to such an uncourteous act as taking issue with its counterpart, giving a completely distorted account of the contacts held in Panmunjom on October 1 and 5.

Acording to the report, the contacts of delegates started at the informal request of the south side's "prime minister" at the 8th North-South high-level talks held in Pyongang in mid-Sptember.

On September 16, the premier of the North side when he met with his South side's counterpart, urged the solution within the year of the question of the repatriatin of old Yi In-mo raised by the North side at the past round of high-level talks. Saying it was difficult to conduct the exchange of old parents' visiting goups and art troupes immediately at the moment and there were very burdensome matters with the South side and its "prime minister" suggested instead setting up a meeting place in Panmunjom for dispersed families and returning old Yi, a former war correspondent of the Korean People's Army, to the North side at the time of their first meeting.

The next morning, he reminded the North side's premier of his suggestion in the car returning from a visit to the West Sea Barrage, and, in the evening the North side gave an official answer to him agreeing to his proposal.

On September 25, the South side proposed to the North side through the chief liaison official of its delegation to the inter-Korean high-level talks to have a contact of delegates in Panmunjom to discuss the aforesaid questions and the North side agreed to it. As a result, the contact of delegates was held in Panmunjom on October 1 at which the North side put forward a proposal to set up a meeting place in Panmunjom for the families separated in the North and the South at an early date, realize the first meeting of dispersed families within the year, and repatriate old Yi as well and continue to arrange the reunion of separated failies at the Panmunjom meeting place in the future.

At the contact, however, the South side, contrary to the promise between the sides, told the lie that the "prime minister" of its side and the premier of the North side had never agreed to simultaneously solve the problem of the repatriation of Yi In-mo and the problem of the installation of a meeting place in Panmunjom. He abruptly raised various complicated conditions, proposing to discuss the "regularization of the exchnge of old parents' visiting groups" and "return of those kidnapped by the North" in addition to the repatriation of Yi In-mo.

This revealed their intention to lay deliberate obstacles to the repatriation of Yi In-mo and delay it. In this connection, the North side recalled the detailed matter agreed upon by the premiers of the sides at the eighth inter-Korean high-level talks in Pyongyang and the matters discussed by the co-chaimen of the cooperation and exhange subcommittee.

In [the] face of the North side's reasonable argument based on facts, the South side's delegates admitted that the simultaneous solution of the problem of the repatriation of Yi In-mo and the problem of the installation of the meeting place in Panmunjom had been ageed upon by the premiers of the sides, but it insisted on its unreasonable argument, raising various conditions. The North side repeatedly urged the South side to act in good faith as agreed upon by the sides.

The South side's delegates, at a loss for words, proposed to continue the disussion at the next contact after confirming the fact again wih the "prime minister" of its side. So, the sides had the second contact on October 5.

But, the South side repeated the same argument as it had made at the first contact, insisting that it would discuss the installation of the meeting place in Panmunjom and the repatriation of Yi In-mo on condition that the exchange of old parents' visiting groups should be realised first and the return of those who had voluntarily come over to the North from the South in quest of a way of living should be included in the discussion. The South side shamelessly made the absurd proposal to exchange Yi In-mo for those who had come over to the North.

Th North side blamed the South side for creating complications in the discussion and repeatedly urged it to come back to the position already agreed upon.

But the South Korean delegates, reversing what their prime minister had told our side's premier, took a defiant stand of avoiding the discussion of the issues of arranging a meeting place in Panmunjom and sending Yi In-mo back home.

All their insincere acts of reversing the promise of their "prime minister" and enjoying today what they said yesterday showed that they were not interested in the solution of the humanitarian problems of lessening the sufferings of the families and relatives living separated in the North and the South. Such an act as easily reversing the promise made by the "prime minister" representing the authorities was attributable to the interference of the "security planning board".

At the 8th North-South high-level talks in Pyongyang agents of the "NSP" tried in every way to nullify the promise of the "prime minister" and their sinister scheme was continued at the later contacts of delegates in Panmunjom. We can never tolerate the fact that the "NSP" poked its nose even into the settlement of humanitarian problems and locked the reunion of separated families. The South Korean authorities cannot evade the responsiblity for disappointing the fellow countrymen, betraying faith. They must apologize to the nation bearing full responsibility for all the consequences to be entailed therefrom.

We will continue exerting sincere efforts to solve the problems of installation of a meeting place and the repatriation of Yi In-mo.

Reaction to South Korean-U.S. Security Meeting

SK0810144792 Pyongyang KCNA in English 1029 GMT 8 Oct 92

[Text] Pyongyang October 8 (KCNA)—The United States and the South Korean authorities at the "South Korea-U.S. Military Committee" meeting held in Washington today decided to resume the Team Spirit joint military maneuvers next year, the Seoul-based Christian Broadcasting System reported.

At the meeting, they also agreed to maintain the U.S. military presence in South Korea, shelve the "second-stage arms reduction plan" and additionally hurl the U.S. Navy and Airforce into South Korea "in case of emergency."

This clearly shows once again that they do not want peace and peaceful reunification on the Korean peninsula but invariably pursue the policy of aggression and war.

Their decision came shortly after the adoption of annexed agreements for the implementation of the North-South agreement. This shows that the anti-national elements of South Korea intend to reduce the North-South agreement to a sheet of waste paper as they did the July 4 joint statement 20 years ago and that the United States is zealously instigating the South Korean authorities to nullify the North-South agreement.

In an attempt to justify their challenge, the United States and the South Korean authorities raised the fictitious "nuclear problem" of the North. This, however, cannot go down with anybody because it is a habitual method of those accustomed to reversing black and white.

It is self-contradictory and ridiculous to talk about the fictitious "nuclear problem" of the North while threatening it with the Team Spirit, a notorious test nuclear war.

The adoption of the measure to resume the Team Spirit timed to coincide with the South Korean authorities' anti-DPRK campaign compels the Korean people to watch the situation with heightened vigilance.

The United States and the South Korean authorities should ponder over the matter and act with discretion and give up the scheme to resume the Team Spirit which may increase tensions and endanger the inter-Korean dialogue.

U.S. 'Provocative Moves' Since 1991 Recounted

SK0910105092 Pyongyang KCNA in English 1015 GMT 9 Oct 92

["Criminal Act of Disturbing Peace in Korean Peninsula"—KCNA headline]

[Text] Pyongyang October 9 (KCNA)—The U.S. imperialists and the South Korean authorities are ceaselessly committing provocative moves for a new war against the northern half of Korea after the signing of the "Wartime Support Agreement" in November last year.

Bush flew into South Korea in January this year and kicked up a war fever against the North while inspecting U.S. military bases in South Korea. And the chairman of the U.S. House Armed Services Committee made public a document on reorganizing the combat power targetted against the Soviet Union into a system of coping with "regional potential enemy states" like the northern half of Korea.

The U.S. Defense Department announced that two of the "seven war scenarios" mapped out and promoted after the "cold war" are to cope with an "event of contingency" in the Korean peninsula.

The United States is continuously bringing nuclear submarines loaded with nuclear weapons into South Korea.

As was exposed recently, U.S. nuclear submarines calling at the Chinhae base are capable of loading 12 to 27 nuclear missiles.

Toward the end of July the Pentagon declared that quantities of war materiel, including 37 AH-64 attack helicopters and 775 Hellfire missiles, would be delivered to South Korea.

This year the South Korean authorities made a contract with France to purchase Mistral missiles worth 1 billion francs and decided to import 12 medium-size transport planes from Spain by spending 168 million dollars.

The South Korean "Defence Ministry" is scheming recently to introduce an unmanned reconnaissance plane and an AWACS [Airborne Warning and Control System] to increase the "aerial capability of collecting military information" on the northern half of Korea.

In August this year, the United States and the South Korean authorities staged "Focus Lens 92" joint military exercises in place of the "Team Spirit" joint military exercises and recently conducted an intensive air espionage on the North by mobilizing an "E-3A" early warning plane, "U-2" high-altitude strategic reconnaissance plane and "RV-1" army tactical reconnaissance plane.

Moreover, they decided to resume the "Team Spirit" joint military exercises from next year.

Facts tell that the United States and the South Korean authorities have no regard for the North-South agreement and they are zealously disturbing peace in the Korean peninsula to block the peaceful reunification of Korea.

Army-People Unity Lauded as Source of Might

SK0910040192 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 6 Oct 92

[NODONG SINMUN 6 October special article: "Hurrah for the Idea of Unity Between the Army and the People!"]

[Text] Unity between the Army and the people is a fine traditional custom which emerged during the anti-Japanese revolutionary struggle period and has been firmly inherited as our revolution has advanced.

Today as we are on the path of upholding Comrade Kim Chong-il as supreme commander of the Korean People's Army [KPA], the fine custom of army-people unity is being demonstrated at a highest level among our People's Army and people.

Officers and men of the People's Army love the people and defend with their own lives the people's lives and property while the people support soldiers with sincerity and good faith by regarding them as their own offspring.

No time in the proud history of our revolutionary armed forces, which has gone through long and arduous trials, has it been as today when the fine custom of the army-people unity is in full bloom throughout the entire society.

Because the Army and the people are firmly and single-heartedly rallied behind the respected comrade supreme commander, our People's Army is strong, our party is mighty, and socialism of our own style is making a big leap by taking advantage of victory.

Our party's idea on army-people unity has been brilliantly embodied in the practice of our revolution, and a proud reality has unfolded in which the Army and the people are tenaciously struggling in firm and single-hearted unity with the party and the leader.

The army-people unity is a trait in which the Army and the people respect, love, and help each other as one body.

This trait can be created only by the Revolutionary Army and people who uphold the great leader [widaehan yongdoja] as supreme commander and can be brought into full bloom only by them.

From the outset, the Revolutionary Army is the army of the leader, the party, and the people and it was founded, strengthened, and developed by the leader [suryong].

On the path of upholding the leader's ideas and leadership, the Army and the people are all equal revolutionary comrades and comrades-in-arms who share their destinies.

Without blood ties, support, and encouragement of the people, the Revolutionary Army cannot fulfill its lofty mission to defend the party's cause with armed forces. Without the Revolutionary Army, the people cannot successfully carry out the construction of the revolution by crushing the imperialists' maneuvers of aggression.

Therefore, the Army and the people are to go through arduous revolutionary trials together while loving and helping each other in firm unity with the party and leader.

The army-people unity is political and ideological superiority which can be cherished only by the Revolutionary Army. The source of important might, which enables one to constantly strengthen and develop the revolutionary armed forces and to crush all powerful enemies, is that the Army and the people support and love each other in firm unity with the great leader.

The fine custom of army-people unity in our country was formed when the respected leader Comrade Kim Il-song founded our revolutionary armed forces and has been strengthened and developed since then.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the Workers Party of Korea [WPK] Central Committee, has indicated: The army-people unity was highly demonstrated between the anti-Japanese guerrillas and the people during the period of anti-Japanese revolutionary struggle. This is a fine traditional custom to which our People's Army should permanently adhere.

At an early stage of the time when the great leader Comrade Kim- Il-song was building our revolutionary armed forces, the great leader advanced a unique idea on the army-people unity and brilliantly embodied it.

The army-people unity idea is great in that the Revolutionary Army can firmly rely on the people and the people can help and actively support the Army so that the revolutionary armed forces are strengthened in every way and the Army and the people can obtain victory with their own strength by crushing the imperialist aggressor's forces.

Embodied in this idea was the chuche-based military idea to carry out the building of the Army and the anti-Japanese revolutionary war with our own strength. Also included in this idea were our people's ardent apsirations to our Army which will bring about freedom and liberation.

It was our people's long-cherished desire to have a genuine army of the people. Therefore, our people, who were deprived of our country by the aggressors and suffered various kinds of scornful treatments and contempt, were filled with endless joy and emotions when the respected leader Comrade Kim Il-song founded our revolutionary Armed Forces in the Paektu forest. They supported the Korean People's Revolutionary Army [KPRA] led by the general with sincerirty and good faith by firmly trusting it as their own army.

This was indeed a noble idea and emotion based on keen consciousness that their freedom and emancipation, as well as national liberation, were laid only on the road of supporting and encouraging the Army of the great general who is a legendary anti-Japanese hero.

The anti-Japanese guerrilla units, which were founded by the respected leader Comrade Kim Il-song, were the genuine army of the people, composed of genuine sons and daughters of the working people, including workers and peasants, and fought for the freedom and liberation of the people.

Members of the anti-Japanese guerrilla units deeply cherished the slogan, "Just as the fish cannot live without water, the guerrillas cannot live without people," put forward by the great leader. They loved the people and treasured their lives and properties. They fought by willingly dedicating their youth and lives to the people.

The fine custom of army-people unity, created during the period of anti-Japanese revolutionary struggle, is a revolutionary spirit of the Army and people to share intentions and destinies on the road of upholding the great Comrade Kim Il-song as the leader [yongdoja] and as the leader [suryong] of the revolution. This custom is a lofty expression of the revolutionary principle and warm comradely love to trust and depend on each other amid most difficult conditions and to jointly break through arduous trials. It is a pride of our People's Army and people to have such an excellent traditional fine custom.

The traditional fine custom of army-people unity, created during the period of the glorious anti-Japanese revolutionary struggle, is blooming more fully today at a new higher stage.

Our party further developed and enriched the great leader's idea of army-people unity to coincide with the historic time of remodeling the entire society on the chuche idea. Our party is wisely leading the struggle to embody the idea.

Our party's idea of army-people unity reflects the demand of development of our revolution and the unanimous aspirations of officers and men of our People's Army and people. Therefore, this idea has been deeply cherished in their hearts and is demonstrating great vitality in the revolution and construction.

Our People's Army is composed of sons and daughters of workers and peasants and assumes it a lofty mission to serve the fatherland and people.

Our Army is actively struggling to fulfill its mission on the road of upholding the respected supreme commander and our people endlessly love the People's Army as the defender of their happiness and their socialist fatherland.

Today our People's Army loves and supports the people while the people support and encourage the People's Army materially and mentally. This has become a social trend.

Such fine custom in which the Army and people are tenaciously struggling as one body cannot be found in any other society, in any other Army, nor in any other people.

Our People's Army and people are filled with revolutionary faith and the principle to share their destinies down the road of upholding the comrade supreme commander.

Army-people unity is, in essence, ideological unity. Only when the Army and people have the same idea and intentions, can they forge blood ties and share their destinies under any circumstances.

The imperialist army of aggression can never achieve the unity between the Army and the people because it differs from the people in ideology and intention.

Only an army of young men under the leadership of the party and the leader can have the unity between the Army and the people, which comes about from the identity of ideology and aim between the Army and the people in upholding the leader [yongdoja].

Today the revolutionary determination and will of our People's Army and the people to uphold Comrade Kim Chong-il is the ideological and spiritual source that enables the beautiful tradition of unity between the Army and the people to be advanced in our society.

In our country, which upholds the comrade supreme commander as the head of our revolutionary armed forces, both the Army and the people are all revolutionary fighters although they stand on different sentry posts.

It is a way to uphold even better the ideology and intent of the great leader for our people to wholeheartedly support the People's Army. It is fruitful work in implementing the comrade supreme commander's order and direction for the People's Army to love and help the people.

Our party members and working people are now proud of calling our People's Army the comrade supreme commander's fighters and consider it the greatest honor to send their sons and daughters to the People's Army.

Among our people, there is a mother living in Pyongyang who has voluntarily sent all her eight children to the People's Army. There is also a family in Ullyul whose seven sons are at sentry posts defending the fatherland. Also there is a mother in Pyoktong who loves soldiers as her own children after sending her second and third sons to the sentry post, where her first son died while fulfilling his military duty.

Thanks to these proud fathers and mothers, many of our young men and women beg to be sent to the People's Army, firmly resolving to fight faithfully through their lives as the comrade supreme commander's fighters.

Excellent is the ideological and spiritual state of our People's Army soldiers who are willing to share life and death with the people, upholding the comrade supreme commander's intent.

As the 70 discharged soldiers of the KPA unit, to which Comrade Pak Tae-chong belongs, have recently set an example by rushing together to work on the Toji cooperative farm in the Nampo Port District, which bears the historical relics of the great leader's on-the-spot guidance, our People's Army officers and men do everything to uphold the party's intent and create the conditions for the people's happiness.

Like this, our People's Army and people are firmly and naturally linked based on the same ideology and will in upholding the party and the leader.

Our People's Army officers and men and the people are the proudest army and happy people that enjoy true lives with the lofty political life in the bosom of the party and the leader.

The rock-hard faith and will to uphold the great leader [yongdoja] connects our Army and people in a strong vein. Our People's Army and people help each other and unite themselves in the struggle of practice to implement the plan and intent of the party and the leader.

The blood link between the Army and the people is consolidated and developed in the struggle of practice. The young people's struggle and construction work to realize the ideology and intent of the party and the leader can victoriously advance when the Army and the people make joint efforts.

If the Army and the people struggle as one mind while trusting and relying on each other, no fortress in the world can be occupied. The blood link and adhesion between the Army and the people achieved over the course of this struggle of practice is never shaken by trials no matter how severe they are. Our People's Army and people are inseparably united today along the way of the sacred struggle to implement the party's plan and intent.

Our people actively help the People's Army officers and men implement their military duties assigned by the party, by dedicating to them everything they have.

Party members and working people in Changpung County, which has been awarded the title of the Model County of the Unity between the Army and the people, are not the only people who believe the most important work is to love and help the Army.

Among our people, we can find impressive stories such as the one about the old anti-Japanese fighters who ignited the fire of loyalty in soldiers' hearts by displaying the vigorous political work of upholding with arms the dear leader Comrade Kim Chong-il as the first generation of our revolution had upheld the great general. Also there are beautiful deeds such as those done by functionaries, party members, and working people in Songyo District who prepared an armored car and an automobile named Tong-il and donated them to the People's Army. There is also a touching story about a couple living in Pyongsan who raised hundreds of pigs and gave them to soldiers.

On KPA Day, teachers and students from about 560 senior high schools and people's schools in South Hwanghae Province visited KPA units and brought its members many items and vigorously encouraged their combat and political training, thus highly displaying traditional virtue.

This ideological and spiritual world, in which all the people including members of the Children's Union and old men wholeheartedly help the People's Army, is based on the sublime awareness of the fact that they can carry out the construction of socialism and enjoy happy safe lives because the People's Army officers and men firmly defend the fatherland's sentry posts.

The warm devotion of the people, who always visit sentry posts and encourage the People's Army soldiers politically, ideologically, and materially, enables the flower of unity between the Army and the people to bloom more radiantly.

Our People's Army officers and men love the people and actively help our construction of socialism. Throughout history, the army in all countries has supposed been to only fulfill military duties by defending the country with guns. However, in our society the People's Army not only fulfills its duty of defending the fatherland but also participates in the construction of socialism and excellently plays a great role.

Our People's Army upholds a slogan saying "Let Us Take Charge of Both Defense of the Fatherland and Socialist Construction." This shows how much might our People's Army displays in the construction of socialism.

The proud creations, including the Sohae Lockgate, the Sunchon Vinalon Complex, the Kwangbok Street, and the Tong-il Street, which were grandly built glorifying the Workers Party era in the past, bear the lofty labor feats of the People's Army officers and men.

At present, when they have time to spare in between their combat and political training, our People's Army officers and men consider helping the people with labor as the most fruitful thing.

We can see army-people fields, army-people bridges, and army-people reservoirs everywhere across the country. This proud reality can be created thanks to our People's Army officers and men who always help the people by participating in the construction of socialism.

Without our People's Army that loves the people, we cannot even think of those heroic feats registered by the People's Army soldiers; those who threw themselves into the rushing water from a broken bank to save the farming ground or the devotional spirit of struggle shown by many soldiers who spent their bonus leave time for their meritorious deeds working in rural areas, including Chongsan-ni and Wonha-ri, which include the immortal historic sites of the comrade supreme commander; those in mines and coal mines, who would not go to their homes where their parents were waiting for them.

This is why our people always remember the People's Army officers and men and trust the People's Army soldiers whenever they are faced with difficulties. Now our People's Army and people advance in perfect harmony and help and lead each other in the struggle to implement the party line and policy, upholding the slogan: "What the Party Decides, We Will Do."

Our Army and people have achieved consolidated unity in the practical struggle, and its might is being strengthened even further as days go by. Socialist construction is successfully being carried out by the might of the unity among the party, the Army, and the people of our country.

Our People's Army and our people are more fully glorifying army-people unity in the struggle to resolutely safeguard and adhere to our own style of socialism under the leadership of the party and the leader. Army-people unity can only be highly exhibited through the high degree of awareness and consciousness of the Army and the people. This trait of unity between the Army and people is fully glorified in our country bacause of our high ideological determination and firm will to resolutely safeguard, adhere to, deepen, and develop the most superior socialism of our own style under the leadership of the party and the leader. In practice and experience, our People's Army and our people have firmly cherished the faith that we will be victorious by adhering to socialism and die otherwise. The popular mass-centered socialism of our own style is firmly adhered to and victorious when the Army and the people are united around the party and the leader. This is the only road to advancing while upholding the socialist banner.

Although the imperialists are constantly intensifying their brutal anti-socialist maneuvers, socialism of our own style continues to vigorously advance along its road as the People's Army and the people are firmly united as one around the party and the leader in our country.

With their indomitable will to endlessly safeguard and adhere to our own style of socialism by uniting and willingly sacrificing their youth and life for it, our People's Army and our people remain staunch in the face of the imperialists' anti-socialist offensive. The present struggle to safeguard and adhere to socialism has resulted in a firmer union between our Army and people who share life and death, sweetness and bitterness.

Presently, our people are vigorously conducting "Our post is our school," "Our post is our plant," and "Our post is our farm" campaigns. In establishing "Our post is our school" relations with (chonyon) Nine Squad, students of (Masan) Senior Middle School at Waudo district in Nampo city are properly implementing the work of assisting the People's Army. Their behavior is a good example of army-people unity widely known to all People's Army officers and men and all people throughout the country. The superiority of our socialism is more vigorously demonstrated each passing day thanks to the high display of army-people unity.

The Army and the people are connected by blood in our society. Officers and men of our People's Army are willing to sacrifice their youth and life to protect the life and property of our people. In addition, the people are willing to do everything for the People's Army. The sacred spirit of sacrifice shown by a political functionary of the People's Army who died after saving children from a fire, and the emotional story of the approximately 300 people who were willing to donate their own blood to save People's Army soldiers who were at the point of death are clear proof of the blood connection between our Army and our people.

The existence throughout our country of many true party members and people like comrade So Sang-po at Huichon locomotive unit who married off each of his four daughters to disabled veterans, is the reason behind both our People's Army's willingness to go through fire and water and their high display of unparalleled devotion and popular-oriented courage for the party, the leader, the fatherland, and the people. Due to such people, the Army has produced a great many loyalists in the 1990's—heroes such as Kim Kwang-chol who safeguarded the portrait of the great leader, and Han Yong-chol who saved revolutionary comrades by throwing himself on a grenade.

Army-people unity is not only important to the struggle for creation and construction, but more important to the struggle to overcome harsh trials. The proud results today clearly prove that unity between the Army and the people will be a powerful ideological and spiritual weapon in the sacred future struggle to safeguard and adhere to our own style of socialism by defeating imperialist maneuvers without fail.

The trait of army-people unity, which is being fully glorified in the road of upholding the dear leader Comrade Kim Chong-il as supreme commander, is a source of (? relations) between our Army and the people and is a great pride of our country.

Army-people unity cannot exist in all societies. Furthermore, blood ties between the Army and the people cannot be possible at all in the exploiting societies. The universal phenomenon of the exploiting societies is that the Army is afraid of the people, and that the people fear the army.

Only in our society, which upholds the great leader [yongdoja] as supreme commander, are relations between the Army and the people so close and becoming blood relations.

Now in our people there is no greater pleasure than meeting soldiers holding rifles in their hands. In our People's Army officers and men there is no greater pleasure than meeting the people at the posts.

Truly, relations between the Army and people in our society are most genuine—relations cemented with a warm obligation and revolutionary comradeship, a solid unified body to share forever life and death by overcoming harsh trials.

Because our party's ideology on army-people unity is brilliantly embodied, our People's Army is being further developed into the indomitable and ever-victorious revolutionary armed force.

The might of the Revolutionary Army is a symbol of dignity and power of the country and the nation. Only people who have a powerful army can defeat any powerful enemies, defend the nation's dignity and socialist achievements, and vigorously carry out the revolution and construction.

The source of power of the Revolutionary Army depends on the people's support. In the past, the anti-Japanese guerrillas fought and defeated the Japanese imperialists without state and regular army support even under the harshest conditions. This was because they were supported by the people. In the liberation war the young People's Army smashed the U.S. imperialists who were proud of being the most powerful in the world. This was also because all the people truly loved and supported the People's Army.

Our People's Army is today becoming the party's army and the leader's army to be endlessly loyal to comrade supreme commander and is also becoming an indomitable powerful army to smash any aggressors. This is because the trait of unity between the Army and the people is displayed more highly.

Our People's Army officers and men, cherishing deep in their heart the lofty love of the people who positively support them, are now very proud of serving in the Army. It is a firm faith of all of our officers and men of the People's Army to strongly safeguard and defend the party, the leader, and the fatherland, and the people even at the risk of their lives by always remembering the party's and the people's great trust.

With his outstanding military strategy and his seasoned alchemy, the comrade supreme commander is leading our revolutionary armed force. All the people are positively supporting the Army. Because of this, our People's Army will not be afraid of any power's attack and is overflowing with conviction for victories forever.

It is the proud appearance of our People's Army that is moving forward with singing a song of victory entitled: Look! Look At Us, then, you will feel confident.

Trait of unity between the Army and the people will enhance the militant courage of our People's Army officers and men. This is a powerful ideological and spiritual weapon that can defeat any aggressors.

This can also be a firm guarantee for endlessly consummating the chuche revolutionary cause by resolutely safeguarding and defending the socialism of our own style. There is nothing that can prevent this vigorous advance in which the Army and the people are moving forward by uniting each other around the comrade supreme commander.

Our People's Army and the people will firmly deepen the indomitable unity and cohesion among the party, the Army, and the people and brilliantly consummate the chuche revolutionary cause pioneered at the Mt. Paektu forest by thoroughly implementing the ideology of unity between the Army and the people.

KCNA Reviews 9 Oct Pyongyang Press

SK0910093992 Pyongyang KCNA in English 0618 GMT 9 Oct 92

[Text] Pyongyang October 9 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President Yoweri Kaguta Museveni on the 30th anniversary of the national day of Uganda.

NODONG SINMUN carries a message of greetings sent in joint name to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK], by the Dominican Communist Party, the Dominican People's Movement, the Dominican Labour Party, the United Left Movement of Dominica and the Dominican Resistance Force for People's Liberation comprising the national leadership of the Camanista Revolutionary Unity on the 44th anniversary of the DPRK founding and a report that messages and letters came to him from different countries.

Seen in the paper are reports that the great leader President Kim Il-song received a letter of thanks from president of the International Council of Dance Milorad Miskovich and his immortal classical works were disseminated and studied abroad.

Papers give an account of a meeting of Pyongyang working people held on the lapse of 47 years since President Kim Il-song visited the workers of Kangson.

Papers inform the readers that the dear leader Comrade Kim Chong-il saw a performance of the revolutionary opera "A True Daughter of the Party" and went round the tenth art show of the Korean People's Army.

NODONG SINMUN reports that a letter to Comrade Kim Chong-il was adopted at a joint seminar on the chuche idea and self-reliance held in Uganda on the 44th anniversary of the DPRK founding.

The paper runs an article on the great trust and loving care of Comrade Kim Chong-il in training intellectuals into chuche-type revolutionaries and true revolutionary intellectuals.

The paper carries an article entitled "Our Party Is Powerful Integral Whole Closely United Around the Leader."

Economic news of the press include reports that the construction of 30,000 flats in the capital city is progressing apace and the steel makers are greeting the day of metal workers with increased production.

Figuring large in the press are a statement issued by the Committee for the Peaceful Reunification of the Fatherland denouncing the puppet security planning board of South Korea for having fabricated and published another anti-DPRK case through results of investigation into the "Case of the Workers' Party of Korea in South Korea" and a detailed report on the contacts of delegates of the inter-Korean high-level talks.

Papers report that the family of martyr Kang Kyong-tae beaten to death by police won a suit demanding compensation and students in Seoul held a rally to vow to establish a democratic government.

A commentary of MINJU CHOSON says that "secession from the Democratic Liberal Party" in South Korea is a political drama for bridging over a crisis. In an article the paper calls for establishing a democratic government in South Korea through a united struggle of the pro-democracy forces.

It is reported in NODONG SINMUN that functions were held abroad to mark the 47th anniversary of the WPK founding, foreign public circles expressed active support to the proposal for founding the Democratic

Confederal Republic of Koryo and the Polish and Pakistani press reported the Pyongyang declaration "Let Us Defend and Advance the Socialist Cause."

Papers report that the Pakistani prime minister called for establishing an equitable new world order, the Asia-Pacific Symposium on the Transport of Plutonium adopted a statement calling for opposing Japan's transport of plutonium and the soldiers of the Revolutionary Armed Forces of Cuba are strengthening combat preparedness.

Papers observe the 30th anniversary of the independence of Uganda.

NODONG SINMUN carries an article on NATO turning into a tool of the U.S. for aggression and intervention.

Daily Calls Party's Authority 'Absolute'

SK0810130092 Pyongyang KCNA in English 1018 GMT 8 Oct 92

["Source of Undisputed Trust of Korean People in Party"—KCNA headline]

[Text] Pyongyang October 8 (KCNA)—NODONG SINMUN today devotes much space to a signed article headlined "Source of Undisputed Trust of Korean People in Party."

The article quotes the dear leader Comrade Kim Chong-il as saying:

"Our party is an ever-victorious party which has been tested and tempered in the long-drawn-out rigorous struggle and a most authoritative and dignified, great party."

The article continues:

Our party has been able to traverse a proud course of victory and enjoy a high authority as today as it has the great leader Comrade Kim Il-song, the greatest of great men respected by the world people, at its head.

His unquestioned authority is the source that has enabled our party to strike its roots deep among the masses and enjoy deep trust and support from them and the basic factor that enables our party and people to fully demonstrate their dignity and honour in the international arena.

Fundamental changes have been effected in the might, militancy and looks of our party thanks to the wise guidance of Comrade Kim Chong-il who is carrying forward in an allround way the imperishable exploits of the great leader in the cause of building a chuche-type party and in the revolution and construction.

Today the dignity and authority of the Workers' Party of Korea are linked to the greatness of Comrade Kim Chong-il.

Our party's authority is that of leadership in all sectors of the revolution and construction. It is the highest authority with a great influence and attraction among the masses.

Our party's authority is an absolute authority that no enemy can damage.

Our party with an unfailing loyalty to the socialist cause and a firm revolutionary principle is confidently paving the way of socialism, smashing the counterrevolutionary offensive of the imperialists with a revolutionary offensive.

Neither the hysteric outcry over the "nuclear problem" and threat and blackmail of the imperialists nor their reactionary ideological and cultural infiltration and economic pressure can block our people's unanimous advance following the party.

The fundamental factor of our party's absolute authority and prestige among the people is its distinguished greatness. Its high authority emanates from the greatness of its ideology, theory and leadership traits, the greatness of the history of its struggle and the greatness of the exploits and experience of the party and the leader.

It is natural that the people should absolutely support and deeply respect the party and the leader that have accumulated great achievements for the freedom and happiness of the people and the prosperity of posterity. Our party's high authority among the masses is so unshakable since it is based on their noble idea and feelings toward the party.

Film, Roundtable Talk Mark Death of Che Guevara

SK0810052292 Pyongyang KCNA in English 0431 GMT 8 Oct 92

[Text] Pyongyang October 8 (KCNA)—A film show and a roundtable talk were held at the Pyongyang textile combine Wednesday on the 25th anniversary of the death of Ernesto Che Guevara, an internationalist soldier.

Present there were Kim Chin-pom, vice-chairman of the Committee for Cultural Relations With Foreign Countries, other officials concerned and employees of the combine.

Miguel Puente, charge d'affaires ad interim of the Cuban Embassy here, and embassy officials were invited.

The participants saw a Cuban documentary film before they had a roundtable talk.

Recalling the heroic life of Che Guevara, they stressed the need to firmly defend the cause of socialism against imperialism and conversed on the friendly relations between the two countries.

Newspaper Articles Dedicated to Che Guevara

SK0810060392 Pyongyang KCNA in English 0436 GMT 8 Oct 92

["Blood Shed by Che Guevara Not in Vain"—KCNA headline]

[Text] Pyongyang October 8 (KCNA)—The blood shed by Che Guevara, an indomitable revolutionary fighter and true internationalist soldier produced by the Latin American people, was not in vain but his name is arousing the people to a struggle, say papers here today.

In an article dedicated to the 25th anniversary of his death NODONG SINMUN points out that he made a great contribution to the victory of the Cuban revolution and energetically struggled to defend the gains of the Cuban revolution from the enemy, working at important posts of the Communist Party and the revolutionary Government of Cuba.

The paper notes:

The Cuban people keep Che Guevara in their memory.

The blood shed by Che Guevara was not in vain.

The Cuban people are working miracles in socialist construction under the leadership of the CPC and the revolutionary government led by Comrade Fidel Castro.

Not yielding to the persistent economic blockade by the imperialists, they are accelerating socialist construction while overcoming difficulties in the "special period of the peace time."

The United States is trying to stifle the heroic Cuban people. With nothing, however, can it block the vigorous progress of the Cuban people of the "hero island".

MINJU CHOSON says that the desire of Che Guevara has been materialized by the struggle of the Cuban people who are pushing ahead with socialist construction under the revolutionary banner of independence against imperialism.

Kim Il-song Sends Greetings to Ugandan President

SK0810112992 Pyongyang KCNA in English 1026 GMT 8 92

[Text] Pyongyang October 8 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings Wednesday to Yoweri Kaguta Museveni, president of the Republic of Uganda, on the occasion of the 30th anniversary of the national day of the republic.

President Kim Il-song wished the president and people of Uganda greater success in the work for achieving national unity and building an independent national economy.

He expressed the belief that the friendly and cooperative relations between the two countries which have been consolidated after the president's Korea visit in April would continue to expand and develop in accordance with the ideal of independence, peace and friendship.

PRC Delegation Visits Changdok School

SK0810051992 Pyongyang KCNA in English 0424 GMT 8 Oct 92

[Text] Pyongyang October 8 (KCNA)—A friendship gathering with the visiting delegation of the Jilin Yuwen Middle School took place at the Changdok School Wednesday.

Participating in the friendship gathering were teachers and school children of the Changdok School and the members of the delegation of Jilin Yuwen Middle School led by party secretary of the school Sun Ridong.

After appreciating a performance of members of the art circle of the school, they talked about their achievements and experiences in the educational work, deepening the feelings of friendship.

Pyongyang State Circus Performs in Germany

SK0810112192 Pyongyang KCNA in English 1009 GMT 8 Oct 92

[Text] Pyongyang October 8 (KCNA)—The State Pyongyang Circus gave 21 performances in Wiesbaden, Germany.

The program including "Three-stage Trapeze Flight," "Cylinder Turning," "Balancing on Horizontal Bar" and "Seesaw" was acclaimed by the audience for the high techniques, evoking a lively response.

The mayor of Wiesbaden said:

Wiesbaden sees such a wonderful acrobatic show for the first time. The students of the acrobatic school in our city said in unison after seeing the performance that anyone who aspires to an acrobatic career should follow the example of Korea. Korean circus is characteristic of a successful combination of refined techniques with national characteristics.

A newspaperman of Munich said: The performance went beyond imagination. Many circus troupes are now performing in Germany. But they are not fit to hold a candle to the performance of Korean circus in quality and scale.

The conductor of the Italian Roncali Acrobatic Troupe visiting Germany said: The Korean acrobats are giving successful performances everywhere. Wherever you go, people throng to you. I really envy you.

During the performances the national television and central and local media of the country widely reported them.

Kim Il-song Receives Letter From Nepal Communists

SK0610051492 Pyongyang KCNA in English 0438 GMT 6 Oct 92

[Text] Pyongyang October 6 (KCNA)—The great leader President Kim Il-song received a letter of thanks from Man Mohan Adhikari, president of the Central Committee of the Nepal Communist Party (United Marxism-Leninism).

Man Mohan Adhikari said in his letter of thanks that during his Korea visit he was struck with deep admiration at the Korean people's efforts to build socialism.

Noting that the Korean people have built independent socialism of their own style with national characteristic features in less than 40 years, upholding the chuche idea founded by President Kim Il-song, he said he is sincerely rejoiced over all these successes.

We have always sincerely supported Korea's patriotic cause of reunification, and we will faithfully fulfil our internationalist obligations to the Korean people and nation in the future, too, he stressed.

He extended thanks to President Kim Il-song for the greatest concern and solicitude shown during his visit to Korea.

Kim Il-song Greeted by Party, State Leaders

SK0710065092 Pyongyang KCNA in English 0418 GMT 7 Oct 92

[Text] Pyongyang October 7 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received messages of greetings from El Hadj Omar Bongo, president of the Gabonese Republic, and Carlos Andres Perez, president of the Republic of Venezuela, on the occasion of the 44th founding anniversary of the DPRK.

He also received messages of greetings on the same occasion from Narciso Isa Conde, secretary general of the Central Committee of the Dominican Communist Party, and from the national leadership of the kamanista Revolutionary Unity that comprises the Dominican Communist Party, the Dominican People's Movement, the Dominican Labor Party, the United Left Movement of Dominica, and the Dominican People's Liberation Resistance Force.

The messages warmly hail the national day and express the belief that the friendly and cooperative relations between Korea and their countries and between the Workers' Party of Korea and their parties will grow stronger.

Kim Chong-il Receives Messages From Abroad

SK0710113392 Pyongyang KCNA in English 1008 GMT 7 Oct 92

[Text] Pyongyang October 7 (KCNA)—Messages came to the dear leader Comrade Kim Chong-il from Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru, Ali Hasan, general secretary of the Supreme Council of the National Socialist Party of Syria in Lebanon, and Chairman Vassos Lyssarides and Vice-Chairman Takis Khatzidhimitriou of the Central Committee of the Socialist Party of Cyprus, on the occasion of the 44th founding anniversary of the Democratic People's Republic of Korea.

In the messages they warmly hailed the national day and wished the Korean people greater progress and prosperity under the wise guidance of Comrade Kim Chong-il.

Kim Chong-il Thanks Workers, Committees

SK0810111292 Pyongyang KCNA in English 0958 GMT 8 Oct 92

[Text] Pyongyang October 8 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to the employees of the Mangyongdae Aeguk aluminium sash factory who fulfilled the yearly plan ahead of schedule.

Upholding the party's plan of construction, the employees of the factory have fully supplied in time sashes, decorative furniture and finishing fixtures needed for the construction of the Three Revolutions Exhibition Hall, the Taekwon-do Hall, the new building of Kim Chaek University of Technology and other monumental edifices.

Comrade Kim Chong-il also sent thanks to the different units and working people who aided the People's Army with all sincerity. They include officials of the Kangwon Provincial Administrative and Economic Committee, the Pyongchon District Committee of the Workers' Party of Korea and the North Hwanghae Provincial Committee of the Korean Democratic Women's Union (KDWU), the members of the Kachon- ri, Pongsan County, KDWU Committee, the Pyongyang garment factory, the teachers and pupils of the Chegang Senior Middle School in Chollima District, Nampo Municipality, and Choe Sang-cho, Yi Yong- chol, and Chang Mo-hyon.

Kim Chong-il Sends Gifts to Martyrs' Families

SK0710152892 Pyongyang KCNA in English 1458 GMT 7 Oct 92

[Text] Pyongyang October 7 (KCNA)—The dear leader Comrade Kim Chong-il sent birthday tables to members of martyrs' families who participated in the national meeting of martyrs' families.

Receiving the birthday tables were 104 workers, peasants, soldiers, and junior officials who greeted their birthdays while staying in Pyongyang to participate in the national meeting of martyrs' families.

Kim Chong-il Thanks Middle School, Mill

SK0610050792 Pyongyang KCNA in English 0442 GMT 6 Oct 92

[Text] Pyongyang October 6 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to the teachers of Pyongyang Sungho senior middle school No. 1 who well organized physical culture and sports education and extramural sports activities and to the officials and employees of the Kusong textile mill in North Pyongan Province who distinguished themselves in helping to consolidate the material and technical foundation of a school.

In hearty response to the party's call for intensifying school sports, Pyongyang Sungho senior middle school No. 1 has put physical culture and sports education on a scientific basis and pressed ahead with lessons in physical culture and sports and extramural sports activities, thus greatly helping all the pupils to build a strong physique.

The officials and employees of the Kusong textile mill successfully built Kusong light industry college and provided uptodate facilities for it, deeply cherishing the party's intention to render sufficient social assistance to school work.

Comrade Kim Chong-il also sent cultural facilities to the Pyongyang indoor stadium for the physical improvement of working people and school youth and children.

Kim Chong-il Answers Schoolboy's Letter

SK0810051892 Pyongyang KCNA in English 0418 GMT 8 Oct 92

[Text] Pyongyang October 8 (KCNA)—The dear leader Comrade Kim Chong-il read a letter from Ku Song-kuk, a schoolboy of the 1-2 class of Pyongyang Janggyong Primary School, some time ago and sent the following reply:

"I wish you would be an excellent schoolboy.

September 23, 1992

Kim Chong-il."

The schoolboy was enrolled in the primary school on September 1 and had the honour of taking the seat in which Comrade Kim Chong-il seated himself more than 30 years ago when he visited the school.

In his letter the boy wrote about his honour and wish to see the dear leader in the school again. He made up his mind to study hard to be a good man and wholeheartedly wished Comrade Kim Chong-il good health.

Monument to Amnok River Song Unveiled 6 Oct

SK0710130492 Pyongyang KCNA in English 1010 GMT 7 Oct 92

[Text] Pyongyang October 7 (KCNA)—A monument to "Song of the Amnok River" has been erected at the Pophyong ferry in Yanggang Province in northern Korea.

The immortal monument represents the unanimous desire and will of the Korean people to hand down the great exploits of the great leader President Kim Il-song through generations to come.

When he was 13 years old, the great leader, firmly determined not to return home till the independence of Korea was won, crossed the historic river, singing "Song of the Amnok River" and later organised the heroic anti-Japanese revolutionary struggle and accomplished the cause of national liberation.

He crossed the river, a border between Korea and China, on January 23, 1925, with grand aspirations to liberate the country after he received the news of his father's arrest by the Japanese imperialist police while studying in the homeland on his father's instruction that he should know Korea well.

Recalling that time, President Kim Il-song said: "Young as I was, I could not repress my sorrow as I sang the 'Song of the Amnok River' someone had written, and I wondered when I would be able to tread this land again and when I would return to this land where I had grown up and which held our forefathers' graves."

The monument was unveiled with a due ceremony on October 6.

Pyongyang Monument Being Built at 'Fast Pace'

SK0710213792 Pyongyang KCNA in English 1504 GMT 7 Oct 92

[Text] Pyongyang October 7 (KCNA)—The Monument to the Victorious Fatherland Liberation War is being built at a fast pace in the capital city of Pyongyang to be unveiled on the occasion of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War (July 27, 1993).

The total plottage of the monument on a bank of the beautiful Potong River is more than 150,000 square metres.

In the compound of the monument with a depth of 440 metres there will take shape plazas of the autographic monument, group sculptures of combatants, and the sculpture symbolizing victory.

There will be erected at the entrance of the monument a gate 20 meters high and 40 meters wide with the cap badge of the People's Army and flags of the Republic in the center of its double eaves and the figures "1950" and "1953" depicting the period of the war and men of three services on the pillars of both sides.

Entering the gate, the visitor finds on both sides of the plaza a monument of handwriting of the great leader President Kim Il-song and a monument of poem and two stone pillars presenting the flag of the Workers' Party of Korea and heroic People's Army soldiers.

On the plaza of group sculptures of combatants the visitor sees eight sculptures of various themes symmetrically standing on both sides of the road.

Each of the group sculptures is 4 to 6 meters high and 10 to 12 meters long.

There will stand on the plaza of the sculpture symbolizing victory an image of a soldier shouting cry of victory, flying a flag. Its total height will be 27 meters.

Group sculptures depicting "Defenders of Height 1,211" and "Heroes of Wolmi Island" will be erected on both sides of the sculpture symbolizing victory.

A bridge will be thrown across the Potong River flowing between the Monument to the Victorious Fatherland Liberation War and the Victorious Fatherland Liberation War Museum.

KCNA Praises Kim Il-song University

SK0610233392 Pyongyang KCNA in English 1028 GMT 6 Oct 92

[Text] Pyongyang October 6 (KCNA)—Kim Il-song University is situated at the foot of beautiful Moran Hill in Pyongyang.

It occupies an area of more than 1,560,000 square metres around Yongnam Hill.

It is the main training centre of native cadres and the highest seat of scientific education, the first people's university established by the great leader President Kim Il-song on October 1, 1946.

The Korean people gave the university his August name in order to convey down through generations the immortal exploits he performed for the country and the people as well as his deep care in establishing the university.

The university has 15 departments and more than 90 chairs of social and natural sciences including history, philosophy, economy, atomic energy, automation, and chemistry. Some 10 research institutes and over 50 study rooms, including the computer and cell engineering, and a doctoral course are attached to it.

Academicians, doctors, professors and other able scholars and teachers, including Chon Yong-sik (economics), Pak Si-hyong (history), So Sang-kuk (physics), and Cho Chu-kyong (mathematics), are engaged in teaching and scientific researches there.

The university has the well-furnished main building with a floor space of 13,500 square metres, Building No. 1 with a floor space of 46,000 square metres, Building No. 2 with a floor space of 52,000 square metres and other school buildings, a science library with a floor space of 12,000 square metres which houses more than 2 million volumes of books and has 1,200-seat reading rooms and study rooms, and a gymnasium with a plottage of 100,000 square metres and a floor space of nearly 20,000 square metres, a natural museum, a publishing house, an optical experimental plant, and other attachments.

It is also equipped with all necessary conditions for the studies and life of teachers and students including a hostel which can accommodate more than 10,000 and all kinds of service establishments.

It has many immortal historical records.

President Kim Il-song has given on-the-spot guidance and highly important teachings to it respectively on more than 100 occasions and over 500 occasions.

On display in the Comrade Kim Il-song's revolutionary history museum are historical materials showing that he has indicated the road ahead of the university and shown warm solicitude for it since its establishment and several thousand pieces of precious zoological specimens and educational appliances sent by him for the teaching and scientific researches of the university.

The university has entered a new stage of its development under the guidance of the party.

The dear leader Comrade Kim Chong-il has called at the university on several occasions to turn it into the highest seat of chuche education, a model of universities throughout the country and taught in detail about the teaching and scientific researches and living conditions of teachers and students.

Now, Kim Il-song University has been strengthened and developed into a reliable native cadres training base of the country.

More and more students of the university in their twenties are awarded doctorate or associate doctorate.

Many students from different countries are studying at the university.

Kim Chong-il's Regard for Intellectuals Noted

SK0610153792 Pyongyang KCNA in English 1504 GMT 6 Oct 92

[Text] Pyongyang October 6 (KCNA)—The dear leader Comrade Kim Chong-il sent a 60th birthday table to merited journalist Pak Hui-suk of CHAKANG ILBO a few days wgo.

Over the last 40-odd years, she has covered news about factory workers, farmers, and lumberjacks and other working people in Chakang Province by going among them and powerfully encouraged them in the struggle for the victory in the war, postwar reconstruction, and socialist construction. Comrade Kim Chong-il showed a great favor to the woman intellectual, highly appreciating her ordinary career through which she has devotedly worked to repay the favors of the Workers' Party of Korea which brought her up to be what she is now.

Comrade Kim Chong-il who trusts intellectuals as companions of the revolution and gives them honour as such sent tables to scientists and men of culture on their 60th and 70th birthdays in recent years.

Among them are Yun Ki-tok, deputy dean of a department of Kim Il- song University, Kim Hyong-il, head of a chair of the same university, Im Pong-nin, head of a chair of the university of hydraulic power engineering, Hong Sok-pu, a section chief of Pyongyang University of Medicine, and other university teachers and Kim Se-ku, a researcher of the Academy of Agricultural Sciences, Yi Pyong-kwon, director of an Institute of the Academy of Light Industry, and other scientists and Yun Tong-hyang and Chon Tong-u, writers who became the "Kim Il-song Prize" winner under his loving care and people's artists O Hyang-mun, Kim Yon-sil, and Wang Son-hwa who have fully displayed their creative talents after coming over to the northern half from South Korea.

Comrade Kim Chong-il's great favors for the intellectuals strengthen the blood ties between the leader and his men and inspire the people to push ahead with the socialist cause with the might of singlehearted unity.

South Korea

No, Hyon Discuss Neutral Cabinet Formation

SK0810114392 Seoul YONHAP in English 1056 GMT 8 Oct 92

[Text] Seoul, Oct. 8 (YONHAP)—President No Tae-u discussed with new Prime Minister Hyon Sung-chong the forming of a new neutral caretaker cabinet Thursday afternoon and decided to reshuffle the director of the Agency for National Security Planning (NSP) and four cabinet members.

"President No met Prime Minister Hyon for about 40 minutes upon presenting him with the letter of appointment and received his suggestion with respect to the formation of a new cabinet," said Chongwadae spokesman Kim Hak-chun.

He said it was decided during the meeting to change the NSP director and four election-related cabinet members.

"I understand that in view of the neutrality of a new cabinet, there will be no recruitment of former cabinet members or the reassignment of existing cabinet members in the cabinet reshuffle," said the spokesman. "In particular, new home and justice ministers will be named from among lawyers."

Kim said that since the president and the premier already discussed the formation of a new cabinet, a new cabinet lineup could be announced on Friday morning.

It was learned that former Home Minister An Ung-mo is the most likely new NSP director, while the post of home minister is likely to go to lawyer Kim Hong-su or Kim Se-kwon.

Either former Supreme Court Justice Yi Chong-u or Yi Myong-hui is likely to be named as justice minister, and those mentioned as likely new information minister include Kim Tong-ik, an advisor to CHUNGANG ILBO, Sin Tong-ho, president of SPORTS CHOSON, and Chongwadae spokesman Kim Hak-chun.

Yu Hyok-in, president of the Korean Foundation, is often mentioned as likely new first minister of state for political affairs.

No Tae-u Reshuffles Cabinet 9 Oct

SK0910003092 Seoul KBS-1 Radio Network in Korean 0000 GMT 9 Oct 92

[By reporter Kim Hong from Chongwadae—live]

[Text] President No Tae-u has appointed Yi Hyon-u, chief security guard of Chongwadae, as director of the Agency for National Security Planning, and lawyer Paek Kwang-hyon as minister of home affairs. This was announced by Chongwadae spokesman Kim Hak-chun.

He also appointed lawyer Yi Chong-u as minister of justice; Yu Hyok-in, director of the Korea Foundation, as minister of information; and Kim Tong-ik, adviser to CHUNGANG ILBO, as first minister of state for political affairs.

He also appointed Choe Sok-ip, deputy Chongwadae guard, as acting security guard.

Profiles of New Cabinet Members

SK0910101892 Seoul YONHAP in English 0541 GMT 9 Oct 92

[Text] Seoul, Oct. 9 (YONHAP)—Following are profiles of the new cabinet members.

—Yi Hyon-u, 54, director of the Agency for National security planning, has served as head of the presidential security service since 1988, when he retired from the Army with the rank of lieutenant general. He's a member of the 17th class of the Korea Military Academy.

President No Tae-u had tapped An Ung-mo, a former home affairs minister, but changed his mind at the last moment because of opposition from some sectors of political parties. His choice of Yi represents the president's constant attention to anti-espionage operations.

—Paek Kwang-hyon, 60, home affairs minister, is a graduate of Yonsei University. He is a legal authority with 30 years service as a public prosecutor.

His major assignments include heading the Chonju, Kwangju and Pusan District prosecutor's offices, and the Taegu high prosecutor's office. He has served as director of the Justice Ministry's Research and Training Institute and headed the legal affairs office.

—Yi Chong-u, 61, justice minister, is a graduate of Korea University. He served as a senior judge of the Pusan District Court, and head of the Taegu District Court and the Seoul District Criminal Court.

He was a Supreme Court justice and acting chief justice. He is the second judge to become justice minister following former Chief Justice Min Pok-ki.

—Yi Hyok-in, 58, information minister, is a graduate of Seoul National University.

He joined the daily TONG-A ILBO in 1961 and was named senior presidential secretary for political affairs during the rule of President Pak Chong-hui. The political strongman later served as adviser to the Taegu Munhwa Broadcasting Corp. and ambassador to Portugal (1988-1991).

—Kim Tong-ik, 59, state minister for political affairs, was an adviser to the CHUNG-ANG daily news before joining the cabinet.

He had been a journalist since joining the CHOSON ILBO in 1961, when he graduated from Seoul National University.

Background on Neutral Cabinet

SK0910102492 Seoul YONHAP in English 0711 GMT 9 Oct 92

[Text] Seoul, Oct. 9 (YONHAP)—President No Tae-u's cabinet, reshuffled Friday to bleach the political colors out of it, was welcomed by all three political parties as a "neutral cabinet" fit to carry out a fair presidential election.

The cabinet reshuffle was the latest of a series of actions since President No's Sept. 18 declaration of his intention to manage a cleaner and fairer election. In a move unprecedented in any democratic country anywhere, No took himself out of the governing party and appointed an apolitical prime minister. He then formed a new cabinet Friday in consultation with his new prime minister, a respected educator.

No has done all this in an effort to be impartial in the selection of his successor, and initial reactions of political parties as well as a majority of the people were favorable.

The cabinet reshuffle, in the words of spokesman Hong Sa-tok of the Democratic Party, was a reflection of President No's determination to be neutral for the presidential contest.

Nowhere was his determination more pronounced than in the appointment of Yi Hyon-u as director of the Agency for National Security Planning [NSP]. Yi, head of the Presidential Security Service, is seen by many as "politically transparent."

But before scrutinizing the "political inclination" of the new NSP director, many analysts say that attention should be directed to President No's reported intention to "depoliticize" the spy agency through the selection process.

No initially intended to retain Yi Sang-yon as head of the agency, primarily because the nature of the job requires continuity especially in view of the fact that the administration has only four months to go.

Leaders of the three parties were also reported to have given their "understanding" for No to retain Yi and the president had all the reason to keep him in the post by citing the largest North Korean spy ring, busted recently by the agency.

The president, nevertheless, went ahead to replace Yi because he was involved in the government's interference in an election exposed by a former chief of Yongi County in South Chungchong Province during the March 24 general elections. Yi was home affairs minister at that time.

At an early stage, No was reportedly considering appointing An Ung-mo, a former home affairs minister, as NSP director. But he ran into opposition from the Democratic Party. No replaced An with his own security chief at the last moment.

Similar difficulties in the selection process were reported over the home affairs, justice, and information portfolios.

The appointment of Paek Kwang-hyon as home affairs minister is seen by many as a firm indication the president is serious about rooting out government involvement in the presidential election.

Paek's experience as a prosecutor and member of the Central Election Management Committee qualify him for the post, one of the most important positions for the election, analysts say.

Both Paek and newly appointed Justice Minister Yi Chong-u were well received as apolitical cabinet members as they have not been involved in the government in the recent past.

As for the new Information Minister, Yu Hyok-in had been a presidential secretary for political affairs for President Pak Chong-hui. He is also regarded as neutral since he has been away from politics for more than 10 years, informed sources said.

The Democratic and Unification National Parties [officially renamed United People's Party], elated by the reshuffle, immediately issued statements not only welcoming the new cabinet but also promising active support, while the Democratic Liberal Party characterized it as "a neutral cabinet made up by neutral personalities."

With the formation of the new cabinet, the nation appears to head right into election campaigns amid rising optimism that chronic disputes over official involvement in elections will finally go away.

Deputy, Vice Ministers Resign

SK0910102092 Seoul YONHAP in English 0607 GMT 9 Oct 92

[Text] Seoul, Oct. 9 (YONHAP)—Deputy Prime Ministers Choe Kak-kyu and Choe Yong-chol, Vice Economic Planning Minister Han Kap-su, and Vice First State Minister for Political Affairs Yi Yang-hui have resigned from the Democratic Liberal Party as part of Friday's formation of a politically neutral cabinet.

Labor Affairs Minister Yi Yon-taek and Agriculture, Forestry and Fisheries Minister Kang Hyon-uk had already left the former ruling party.

Cabinet's Duty To Ensure Fair Elections

SK0910102392 Seoul YONHAP in English 1010 GMT 9 Oct 92

[Text] Seoul, Oct. 9 (YONHAP)—President No Tae-u stressed Friday that the most important duty facing the newly inaugurated cabinet is, needless to say, to manage the upcoming presidential election fairly and justly.

"All election-related laws will be executed rigidly and any person violating law will face legal actions regardless of one's position," President No warned.

In a statement issued on the inauguration of the neutral cabinet, the president said that he would see to it that all public officials would remain strictly neutral politically.

He emphasized the role and function of the Agency for National Security Planning should change in keeping with changes of times.

"The function of the Central Election Management Committee, too, should be drastically strengthened to help ensure election fairness," said the president.

North Cancels 9 Oct Liaison Officials Contact

SK0910042992 Seoul KBS-1 Radio Network in Korean 0400 GMT 9 Oct 92

[Text] The North-South liaison officials' contact, which was scheduled to be held today to discuss the visit to the North by Choe Kak-kyu, deputy prime minister and minister of economic planning board, was canceled due to the North side's refusal.

In a telephone message, the North side said that, if today's contact is designed to inform about the postponement of Deputy Prime Minister Choe Kak-kyu's visit to the North as reported by the press, there is no need for holding the contact, thus refusing the liaison officials' contact.

Our side was going to inform the North in today's contact that because of the internal complication [naebu punkyu] caused by the spy ring incident announced recently and of the National Assembly schedule, the visit to the North by Deputy Prime Minister Choe slated for 14 October cannot but be postponed.

Seoul Gains Military Operational Control by 1995

SK0810140392 Seoul YONHAP in English 1226 GMT 8 Oct 92

[Text] Washington, Oct. 8 (YONHAP)—Seoul and Washington agreed Thursday that peacetime operational control over the South Korean armed forces will be turned over to Korea by late 1994 at the latest.

A deadline was set for the transfer of Dec. 31, 1994, with the exact timing and method to be decided in the 1993 Security Consultative Meeting (SCM) based on a one-year study by the Korea-U.S. Military Committee.

The decisions were made by South Korean Defense Minister Choe Sae-chang in a one-on-one meeting with U.S. Defense Secretary Dick Cheney as part of the 1992 SCM.

When operational control reverts to Korea, the chairman of the Korean Joint Chiefs of Staff will control the peacetime movements of Korean troops and the deployment of combat units, paving the way for a Korean general to command operations of the entire Korean armed forces.

It will enable the Korean armed forces to take active part in drawing up operational plans in preparation for the worst and planning Korea-U.S. joint military exercises such as "Team Spirit," facilitating the readjustment of role of the U.S. forces stationed in Korea and the "Koreanization of Korea's national defense," code-named "Project 818."

However, peacetime operational control will be immediately returned to the Combined Forces Command (CFC), headed by a U.S. general, if a dangerous situation unfolds. Wartime control will still be in the hands of the CFC.

Operational control over the Korean armed forces was turned over to the commander of the United Nations forces in 1950, in the midst of the Korean war, by President Syngman Rhee and the CFC commander took over the right in November 1973 when the CFC was inaugurated.

It was agreed in the military committee meeting on Wednesday to delay the second-phase U.S. troop reduction, scheduled for 1993-95, until suspicion over North Korean nuclear development is cleared up.

Gen. Yi Pil-sup, chairman of the Korean Joint Chiefs of Staff, and Gen. Colin Powell, his U.S. counterpart, concurred that the "flexible deterrence option" would be used on the point of war in Korea and the two countries would keep improving the U.S. reinforcement deployment plan in preparation for war.

Flexible deterrence is a new strategic concept that enables rapid deployment combat forces centering on the air force and navy to be dispatched to Korea prior to war to deter an attack by North Korea when signs of aggression are detected.

It was materialized at this meeting through a few rounds of contacts among concerned officials after Korea raised the need for solid preparatory military measures to deter war on the Korean peninsula by the United States at the SCM in Seoul last year.

U.S. reinforcements can be deployed on the Korean peninsula without any other procedure if top military leaderships of both countries agree. This is different from the original Korea-U.S. operational plan, which limits the deployment of reinforcements to after D-days were decided.

It was also agreed in the first meeting that preparations for the Korea-U.S. "Team Spirit" joint military drill would proceed as planned and that the resumption would be decided in accordance with the state of things.

White Paper Predicts Reduced U.S. Presence

SK0910045192 Seoul YONHAP in English 0252 GMT 9 Oct 92

[Text] Seoul, Oct. 9 (YONHAP)—The United States could reduce its military presence to a single light infantry brigade or even withdraw all but part of its air force in Korea in the next 10 years, the South Korean Foreign Ministry predicted Friday.

In "the 1992 white paper," the ministry also predicted that the United States would not cut its troops stationed in Japan—except possibly for those in Okinawa—in order to prevent Japan from becoming a big military power.

Unlike Russia and China, which would concentrate in domestic politics in the near future, the United States is concerned that Japan may develop into a military power based on its economic strength.

In order to prevent Japan's growth as a military power, the United States will maintain its current relations with Japan while allowing, within a certain limit, Japan's approach to a regional multilateral security cooperation, it said.

If such a regional security system is established, it could contribute to the new regional order through the promotion of military trust and disarmament, the white paper said.

It also predicted economic cooperation in the region will increase, especially in the Tumen River area surrounding North Korea, northern China and the Russian Far East. South Korea, the United States, and Japan would actively participate in the economic zone, along with the three countries in the area, it said.

A smaller, northeast Asian economic bloc will be materialized in the 1990's within the broader Asia-Pacific economic cooperative structure, the white paper said.

With regard to the Korean peninsula, the paper said a "provisional" system was likely to be established for peaceful co-existence of South and North Korea through cross recognition by the four powers—the United States, Japan, China, and Russia.

Referring to the denuclearization of the Korean peninsula, the white paper said North Korea will seek to hold disarmament negotiations with the South since it would be unable to compete against South Korea in an arms race as it faces economic collapse.

Inter-Korean relations will enter a complete co-existence phase in the second half of this decade, with the two sides stepping up cooperation in many fields based on the basic accords for reconciliation, exchanges and cooperation, it said.

Need for Inter-Korean Inspection Reaffirmed

SK0610034092 Seoul YONHAP in English 0248 GMT 6 Oct 92

[Text] Washington, Oct. 5 [date as received] (YONHAP)—Kim Chong-hwi, senior South Korean presidential secretary for foreign and national security affairs, met Monday with Brent Scowcroft, U.S. national security adviser, and Undersecretary of State Arnold Kanter to explain the Korean position on normalizing ties with China.

He also discussed the North Korean nuclear issue with the two officials, sharing their view that the normalization would have a positive impact on settling the nuclear issue and inter-Korean talks.

Both sides reaffirmed their position that no improvement in relations between Washington and Pyongyang would be made before North Korea accepts the mutual nuclear inspections between the two Koreas.

Meanwhile, a high-ranking South Korean official, who asked not to be identified, said that it was the position of both Seoul and Washington that the level of U.S.-North Korean contacts might be elevated if the first mutual inspections proved reliable and effective.

Even if the level were elevated, he stressed, there would remain other problems, including North Korea's missile and technology exports and human rights abuses.

With regard to discussing the mutual inspections, Seoul might be more or less flexible in technical problems such as frequency or place, however, it was too soon for Seoul to discuss technical matters, the official added.

Security Consultative Meeting Held

SK0610052992 Seoul THE KOREA TIMES in English 6 Oct 92 p 3

[By staff reporter Yi Nak-ho]

[Text] The 24th ROK-U.S. Security Consultative Meeting (SCM) scheduled for Wednesday and Thursday in Washington is likely to be dominated by three major issues—the North Korean nuclear weapons development program, phased withdrawal of U.S. troops from South Korea and resumption of the binational military training exercise Team Spirit.

Senior delegates of both countries to the annual security meeting at the Pentagon will be Defense Minister Choe Sae-chang and Gen. Yi Pil-sop, chairman of the Joint Chiefs of Staff [JCS], for South Korea, and Secretary of Defense Dick Cheney and Gen. Colin L. Powell, chairman of the Joint Chiefs of Staff, for the U.S.

Also on the agenda will be the reshaping of the American forces' role in the security of South Korea, mutual cooperation in the arms industry and technology, the orientation of the security relationship in the 21st Century and sharing of defense costs.

Prior to the annual security meeting, Gens. Yi and Powell will co-chair the 14th ROK-U.S. Military Committee Meeting [MCM] to review changes in the security and strategy environment on the Korean peninsula.

The MCM is also expected to discuss the transfer of operational control over South Korean forces in peacetime, a Combined Defense Improvement Project (CDIP), the second-stage reduction of U.S. troops here and the enhancement of Korean forces' capability to collect military intelligence.

A Seoul military strategist, asking not to be identified by name, made a cautious prediction that the defense leaders would also seriously study how effectively and speedily the U.S. could project reinforcement troops to South Korea in a security contingency.

One of the South Korean delegates to this week's Washington conference forecast that Choe and Cheney are likely to discuss steps to pressure Pyongyang to accept inter-Korean nuclear inspection, sharing the view that it is the only way to have North Korea scrap its nuclear development scheme.

Last year, South Korea and the United States agreed to suspend the second-phase reduction of American soldiers stationed here as a leverage to press the communist North Korea into abandoning its nuclear scheme. The second phaseout was set for 1993-95. The troop phaseout is in line with the Nunn-Warner resolution under which the U.S. projects a scaledown of its military forces by a quarter in an effort to drastically slash its defense spending.

Regarding the scaledown, a Korean JCS officer said the United States, the only superpower in the post-Cold War era, would never think of withdrawing all of its soldiers from Korea in the near future.

He pointed out that Amb. Donald P. Gregg, meeting with soldiers of the Korean Augmentation to the U.S. Army (KATUSA) recently, observed that the U.S. would continue to stay on the peninsula as a power balancer even after Korean reunification.

South Korea and the U.S. initiated Team Spirit, one of two multi-national real-war simulation military maneuvers in the western camp, in 1976 as provocations from North Korea escalated after the fall of South Vietnam into communist hands.

The joint ROK-U.S. field exercise is designed to deter North Korean threats by beefing up the two countries' combined defense capabilities and combat posture.

The Pyongyang regime has called for a complete cancellation of the binational "defense-oriented" exercise, saying it not only creates tensions on both sides of the 155-mile-long Demilitarized Zone (DMZ) but also hampers the inter-Korean high-level political talks.

Seoul and Washington brushed away Pyongyang's accusation as nothing but a pretext for its footdragging on the South-North dialogue, but the two allies agreed at the 1991 Seoul SMC to provisionally halt the 16-year-old war game to produce an atmosphere favorable to the inter-Korean talks.

A professor at the Korean National Defense College, warning against a massive military buildup by North Korea, urged South Korea and the U.S. not to make any hasty decision on the fate of Team Spirit, which he claimed is badly needed by both countries and especially the U.S.

The U.S., he assessed, needs such a massive joint binational exercise as Team Spirit so as to maintain a force projection capability as a unique superpower in troubled spots in the world.

He added: "Neither can the U.S. conduct the Reforger exercise, a large-scale combined war game annually fielded by the NATO forces, on the Central European plains any longer, nor does it have a proper overseas training field such as the one in the Philippines. South Korea is an ideal training site for the superpower."

A source close to the Korean delegation said that at the scheduled SCM, Choe and Cheney would agree to transfer U.S. operational control over the Korean forces in peacetime to a Korean general at an early date, probably this year. At the 23rd SMC, the two nations agreed on the transfer between 1993 and 1995.

The turnover of the peacetime operational control, if agreed substantially at this week's SCM, will come as part of the U.S. efforts to shift its military role in South Korea from a leading to supporting one.

Trade Talks With United States Held 22-24 Oct

SK0810050992 Seoul THE KOREA TIMES in English 8 Oct 92 p 2

[Text] Korea and the U.S. will hold working-level trade talks in Seoul on Oct. 22-24 with top priority on issues concerning the protection of foreign intellectual property rights and trade of hazardous chemical materials, a Foreign Ministry official said yesterday.

The official, however, said that projected inter-Korean rice trade will not be discussed at the talks, refuting a YONHAP wire report which quoted a high ranking U.S. official in Washington as saying it would.

The report said that the issue of inter-Korean rice trade will be discussed for the first time thoroughly and honestly at the working-level talks.

But the ministry official said that the working-level talks basically do not handle "global and comprehensive issues" but deal with pending issues related to business activities.

Issues concerning the wider opening of Korean beef and telecommunications markets will also be excluded from the agenda which is yet to be decided, the official said.

The rice issue will be discussed on a multilateral basis such as GATT (General Agreement on Tariffs and Trade).

He added that Seoul and Washington have amicable trade relations amid a continuous trade surplus for the U.S.

Meanwhile, Hong Chong-pyo, the ministry's director general for international trade, will head the Korean delegation and Deputy Assistant Trade Representative Nancy Adams will lead the U.S. delegation to the forthcoming talks.

Interest Repayment Unlikely Before Yeltsin Visit

SK0810022392 Seoul YONHAP in English 0111 GMT 8 Oct 92

[Text] Seoul, Oct. 8 (YONHAP)—The Russian Government is unlikely to pay the 30 million U.S. dollars in interest owing to South Korea by the time President Boris Yeltsin visits Seoul in November due to its poor foreign currency situation, a Korean government source said Thursday.

Russia's inability to pay the interest might wreak havoc with South Korea's plan to resume its economic aid promised to the former Soviet Union along with Yeltsin's visit, he warned.

Korea had planned to extend the remainder of the promised 3 billion dollars in economic cooperation loans if the 30 million dollars in interest owed on 1.47 billion dollars of loans made already was paid and a written guarantee for the repayment of the loans handed over to Korea when Yeltsin visits next month.

Russia has had difficulty guaranteeing the 1.47 billion dollars of Korean loans in the name of the Commonwealth of Independent States because Ukraine rejects joint liability.

Government officials are desperately looking for a solution as there are calls for the loans to be resumed if Russia pays only half the interest and promises to pay the rest to make Yeltsin's visit worthwhile, he said.

Yeltsin is slated to visit here Nov. 18-20.

Yeltsin To Give Data on 1983 KAL Downing

SK0810093692 Seoul KBS-1 Radio Network in Korean 0900 GMT 8 Oct 92

[Text] Materials on the shooting down of the Korean Air [KAL] plane by the former Soviet Union in September, 1983, will be given to our government on 14 October. The government decided to send working-level officials, including the vice minister of transportation, to Moscow after the Russian Government recently notified it of its readiness to hand over materials on the shooting down of the KAL plane.

Materials on the shooting down of the KAL plane will be directly handed over by Russian President Yeltsin on 14 October. Through this opportunity, the government decided to continue cooperating with the Russian Government to thoroughly learn the truth of the incident. It also decided to announce this as soon as the contents of the materials are clarified.

PRC's Sheng Shuren Visits Vice Energy Minister

SK0810043592 Seoul THE KOREA TIMES in English 8 Oct 92 p 9

[From the "Economic Bulletin" column]

[Text] Vice Energy-Resources Minister Kim Si-hyong yesterday met with Sheng Shurun, vice chairman of China's State Planning Commission, who is visiting Korea at the invitation of the Economic Planning Board, at his office.

The two discussed ways of promoting economic cooperation in the fields of energy and mineral resources between the two countries.

Sheng expressed keen interest in Korea's operation of energy-related state funds, the Energy-Resources Ministry said.

Trade Minister Meets With Burmese Ministers

SK0810080092 Seoul YONHAP in English 0633 GMT 8 Oct 92

[Text] Seoul, Oct. 8 (YONHAP)—South Korean Trade and Industry Minister Han Pong-su held talks with Myanmar's [Burma] Planning and Finance Minister David Oliver Abel, Trade Minister Tun Kyi, and Lun Maung, minister without portfolio, Thursday.

The ministers and three other officials from Yangon arrived Thursday at the invitation of the Korea Trade Promotion Corp. (Kotra) for a five-day visit.

Economic officials from the two countries discussed transfers of capital and technology and increases of joint ventures to reinforce bilateral economic ties, a ministry official said.

Han, noting a 19-percent jump in the two-way trade this year and active investment in the Southwest Asian country by Korean businessmen, suggested further joint efforts to boost bilateral economic cooperation, the official said.

Friendship Association Chairman Meets Miyazawa

SK0710103992 Seoul YONHAP in English 0820 GMT 7 Oct 92

[Text] Tokyo, Oct. 7 (YONHAP)—Former South Korean National Assembly Speaker Kim Chae-sun paid a courtesy call on Japanese Prime Minister Kiichi Miyazawa Wednesday. They discussed matters of mutual interest.

Kim made the visit as Korean-side chairman of the Korea-Japan Friendship Association.

Miyazawa praised Seoul's normalization of ties with Beijing, emphasizing joint Korean-Japanese efforts and contributions to creating a new order in the Asia-Pacific era.

ROK, Japanese Shipowners To Discuss Routes

SK0710021892 Seoul YONHAP in English 0114 GMT 7 Oct 92

[Text] Seoul, Oct. 7 (YONHAP)—Shipowners of South Korea and Japan will hold talks on full opening of sea routes between the two countries in Cheju Island Oct. 13-14, the Korea Shipowners' Association said Wednesday.

Japan has called on Korea to open Korea-Japan sea routes for Japanese shipping companies completely in recent years but the Korean Government allowed them to transport cargo only on feeder lines last year.

Taiwan is also asking Korea to open Korea-Japan sea routes for Taiwanese shipping firms, threatening the Seoul government that if its demand was not met, it would ban Korean shipping firms from operating on the Taiwan-Japan routes.

The Korean Government told Taiwan last year that it would give the same treatment to Taiwanese and Japanese shipping agents concerning the Korea-Japan sea routes.

The government ceded all working-level negotiations on the opening of Korea-Japan sea routes such as the fixing of timetable to the Korea Shipowners' Association (KSA).

KSA basically supports the idea of opening Korea-Japan sea routes but it wants the opening to be realized in 1995 to save serious impact on the 17 small Korean shipping companies operating on the routes.

During the Cheju talks, the two sides will also discuss establishment of a joint research committee on sailors' problems, exchanges of personnel, information and materials, and cooperation in ferry and pleasure boat business.

Steelmakers Compete in PRC 'Freer Steel Market'

SK0810040492 Seoul YONHAP in English 0156 GMT 8 Oct 92

[Text] Seoul, Oct. 8 (YONHAP)—China has started a sales war between South Korean and Japanese steelmakers by relaxing its grip on supplies, industry sources said Thursday.

The Chinese Government's drastically loosened grip led to a freer steel market and greater demand, the sources said.

Strong demand for Korean products after the conclusion of the Seoul-Beijing trade agreement, which cut taxation, poses a greater challenge to Japanese steel exporters, they said.

A ton of Korean steel is reportedy 10 U.S. dollars cheaper than a ton of the same quality Japanese steel.

Chinese buyers, in coastal areas especially, prefer Korean steel to Chinese steel, which costs more due to transportation expenses and is irregularly delivered, the sources said.

Exports to China now account for about 10 percent of total steel exports, compared with around 3 percent last year.

Should the present plan of market exploitation be realized, exports to China will jump to over 15 percent before the year closes.

Noting the growing demand for Korean products, Japanese steelmakers are scurrying to promote commercialization of a new steelmaking method that can cut production cost and are gradually reducing imports of Korean steel, the sources said.

Korea's exports to Japan fell this year, accounting for less than 30 percent of the total steel exports from around 40 percent of last year.

IAEA Training Course Opens in Taedok

SK0810101192 Seoul YONHAP in English 0930 GMT 8 Oct 92

[Text] Seoul, Oct. 8 (YONHAP)—An Asia-Pacific regional training course of the International Atomic Energy Agency (IAEA) opened Wednesday at the Taedok science town, South Chungchong Province.

The main theme of the three-week annual international training course, hosted by the Korea Atomic Energy Research Institute, is "Non-destructive Testing (NDT) and Evaluation in Nuclear Power Plants."

Atomic energy experts from eight nations, including China, India, Pakistan, and Vietnam, will be briefed on South Korea's experiences and technology in NDT engineering.

Seventeen experts of South Korea's atomic energy-related agencies and industires will give lectures on Korea's NDT technology.

Roy Gillmourndt, an Australian specialist from the IAEA will deliver a special lecture on "New Trends of NDT Application in Nuclear Power Plants."

Exports in 1992 Expected To Total $78.5 Billion

SK0610114292 Seoul YONHAP in English 1036 GMT 6 Oct 92

[Text] Seoul, Oct. 6 (YONHAP)—The government estimates this year's exports would total 78.5 billion dollars, 2.5 billion dollars less than the original estimate of 81 billion dollars.

A report prepared Tuesday by the Trade and Industry Ministry for presentation to the National Assembly showed that imports, too, would stand at 83.5 billion dollars, 7 billion dollars less than the original estimate of 90.5 billion dollars.

As a result, trade deficits for the year are expected to amount to some 5 billion dollars, 4.5 billion dollars less than the original estimate or a decline of 4.7 billion dollars from last year.

The ministry said exports totaled 36.7 billion dollars in the first half of this year, up 8.4 percent over the like period of last year, and would reach 41.8 billion dollars in the second half, a rise of 10 percent over a year before.

This year's exports are thus expected to total 78.5 billion dollars, up 9.2 percent over last year.

Imports reached 41.9 billion dollars in the first half of this year, up 4.3 percent over the like period of last year, and are expected to total 41.6 billion dollars in the second half, a rise of only 0.6 percent over the corresponding period of last year.

Trade balance, which showed a deficit of 5.2 billion dollars in the first half of this year on a customs clearance basis, is expected to record a 200-million-dollar surplus in the second half, resulting in a whole-year deficit of 5 billion dollars, the report said.

Final Quarter Exports Expected To Drop

SK0610095092 Seoul YONHAP in English 0826 GMT 6 Oct 92

[Text] Seoul, Oct. 6 (YONHAP)—South Korean businessmen expect exports to falter in the final quarter of the year despite the advantage of a weak Korean currency and the growth of exports to China, the Korea Foreign Trade Association (KFTA) said Tuesday.

KFTA's Business Survey Index (BSI) for export companies in the fourth quarter is 97.1, a sign that exporters think shipments will retreat from a quarter earlier. KFTA compiled its index from a survey of 500 trading firms.

Delays in the economic recoveries of the United States and Japan, the strengthening of restrictions on imports from Korea by advanced countries, and high domestic interest rates and wages were selected as the main reasons for export gloom.

The BSI's for the primary and the heavy-chemical industries were 121.4 and 103.5, respectively, but that for light industry remained at 86.1.

Exports of agricultural and fisheries products, tire, chemicals, electronic parts, general machinery, automobiles, ships and airplane parts were expected to grow.

Shipments of textile goods, leather products, porcelain, tiles, footwear, toys, containers, machine tools are forecast to drop, while those of plastic products, furniture, steels, and precision machinery in the fourth quarter were expected to be unchanged from the previous quarter.

Facility investment, factory operating rates, and export profitability were anticipated to worsen.

Oil Reserves To Increase to 90 Days by 1998

SK0610080692 Seoul YONHAP in English 0713 GMT 6 Oct 92

[Text] Seoul, Oct. 6 (YONHAP)—South Korea will boost petroleum reserves to 90 days by 1998 to safeguard against an international oil crunch, the Energy and Resources Ministry said Tuesday.

Twenty-six days will be added to the current state stock of 34 days and all private companies will be obliged to have a month's supply of oil in storage by 1996, ministry officials said.

The government will spend 571.6 billion won (727 million U.S. dollars) to build seven oil storage tanks, starting in 1993, to boost state reserves from 40 million barrels (34 days' supply) to 87 million barrels (52 days' supply) with their completion in 1998, the ministry officials said.

It also plans to augment the current gas reserves of 112,000 tons (17 days' supply) to 360,000 tons (30 days' supply) by 1998.

The state will spend 1,599.2 billion won (2 billion dollars) on the project, including 1,027.6 billion won to buy the oil for the tanks, the ministry officials said.

Oil saving will be compulsory for oil refiners, importers, and sales agents to increase the private supply, they said.

$912 Million Invested in Oil Projects Since 1981

SK0610094892 Seoul YONHAP in English 0747 GMT 6 Oct 92

[Text] Seoul, Oct. 6 (YONHAP)—South Korea has invested 912 million U.S. dollars in 35 oil development projects in 21 countries over the past 10 years, according to a report filed Tuesday with the National Assembly by the Korea Petroleum Development Corp.

Most of the projects tackled by state-run and private South Korean businesses since 1981 are ongoing, but 12 had ended as of the end of August.

Drilling in Marib, Yemen; Khalda, Egypt; and West Madura, Indonesia was a success and the returns on the three projects was 694 million dollars, 76 percent of the investment, the report said.

Noticeable is the Marib oil field, which has yielded South Korean businesses 627 million dollars, or 1.7 times the amount they invested (376 million dollars) since the start of production in December 1987. Currently, South Korea receives 20,000 barrels of crude oil a day from the field.

Home shipment of oil produced overseas by South Korean businesses was 34 million barrels.

Former Officials To Testify on 'Kim-Ohira Memo'

SK0910000892 Seoul YONHAP in English 1137 GMT 8 Oct 92

[Text] Seoul, Oct. 8 (YONHAP)—A controversy flared up at the National Assembly Foreign Affairs Committee Thursday over the issue of the so-called "Kim-Ohira" memo allegedly signed in connection with Korea-Japan rapprochement in 1965.

In a bid to look into the truth of the memo, the Democratic Party wanted to summon Kim Chong-pil, executive chairman of the Democratic Liberal Party [DLP], as a witness on the memo. But, the DLP was dead opposed to it.

Besides Kim Chong-pil, the Democratic Party wanted to hear from one-time foreign minister Yi Tong-won and former Ambassador to Japan Kim Tong-cho. The party also suggested Yi Tong-pok, a delegate to the South-North prime ministers meeting, appear at the committee and explain about the progress of South-North dialogue.

In backstage negotiations, the three parties agreed to adopt the three persons other than Kim Chong-pil as witnesses.

About Kim Chong-pil, the parties agreed that he would explain about the memo in a speech or a written paper during the period of parliamentary inspection of government offices.

Burma

Minister, Delegation Leave for PRC Goodwill Visit

BK0710141892 Rangoon Radio Burma in Burmese 1330 GMT 7 Oct 92

[Text] A Burmese delegation led by Brigadier General Thaung Myint, minister for social welfare, relief, and resettlement, and members Colonel Than Po, director general of Social Welfare Department; U Saw Thein, director general of Relief and Resettlement Department; and U Win Lwin, director general of Fire Services Department, left Yangon [Rangoon] by air this afternoon for a goodwill visit to the People's Republic of China at the invitation of the PRC ministry of civil affairs.

The delegation was seen off at Yangon airport by Brig. Gen. Maung Maung, minister for livestock breeding and fisheries; U Khin Maung Yin, minister for construction; Chinese ambassador Mr. Liang Feng; and departmental officials.

SLORC Information Committee Meets Foreign Journalists

BK0710151892 Rangoon Burma Television Network in Burmese 1330 GMT 7 Oct 92

[Text] Brigadier General Myo Thant, minister for information, and leader of the Information Committee of the State Law and Order Restoration Council [SLORC], received five foreign journalists, who are currently in Yangon [Rangoon], at the meeting hall of the Myanmar [Burma] Television and Broadcasting Department on Prome Road at 1230 this afternoon.

Present at the occasion were Brig. Gen. Aung Thein, director of the public relations and psychological warfare department of the Ministry of Defense, and deputy leader of SLORC Information Committee; and committee members—Colonel Ye Htut, curator of military history museum and the defense services archives; U Kyi Lwin, director general of Myanmar Television and Broadcasting Department; U Aye, director general of the political department of the Ministry of Foreign Affairs; and U Maung Maung Kyaw, director general of the directorate of trade.

At the meeting, Minister Brig. Gen. Myo Thant and members answered queries raised by David Brunstrom, Bangkok-based REUTER journalist; (Sven Boysner), Southeast Asian reporter of the POLITIKEN Newspaper of Denmark; (Richard Kohit), Southeast Asian Bureau Chief of TIME Magazine, and photo journalist (Greg Baygen); and (Lindsay Marday), Singapore-based reporter from THE AGE newspaper of Melbourne, Australia.

Rangoon Troops Attack Karen Base of Saw Hta 6 Oct

BK0810094892 Hong Kong AFP in English 0935 GMT 8 Oct 92

[Text] BANGKOK, Oct 8 (AFP)—Burmese Government troops have attacked a Karen guerrilla position despite Rangoon's announcement that it had suspended military operations against ethnic minority insurgents, a guerrilla official said Thursday.

Government forces attacked the Karen base of Saw Hta, about 100 kilometres (62 miles) north of the Karen's Manerplaw headquarters in eastern Burma, on Tuesday, the Karen official said.

Earlier this week Burma's Foreign Minster Ohn Gyaw told the United Nations General Assembly that the military government had suspended "offensive" operations against the Karen and other ethnic minority insurgents fighting Rangoon for greater autonomy.

Ohn Gyaw told the general assembly that the regime was calling off operations against the insurgents in an effort to calm ethnic tension in the country.

Burma has been wracked by ethnic minority rebellions since securing independence from Britain in 1948.

Late last year, Burmese forces launched a major but ultimately unsuccessful campaign to capture the Karen's headquarters at Manerplaw on the border with Thailand.

Manerplaw is also the headquarters of Burma's parallel government formed from opposition politicians who won seats in May 1990 polls but were denied power by the military regime, which ignored the election result.

Bitter fighting continued along mountain ridges just to the west of Manerplaw for four months until the regime announced it was halting its offensive against the Karen in late April "in view of national unity and good will," according to an official announcement made at the time.

Karen guerrilla leaders greeted the announcement with scepticism, pointing out that the suspension coincided with the beginning of the rainy season when Rangoon traditionally winds down operations.

Senior Karen officials said recently that Rangoon's forces were preparing to launch another attempt to capture Manerplaw when the rainy season ended next month.

Opposition Prime Minister Interviewed at UN Assembly

BK0710112792 London BBC in Burmese to Burma 1345 GMT 6 Oct 92

[Dispatch from BBC Correspondent U Khin Nyo in New York—recorded]

[Excerpts] [Begin Recording] [U Khin Nyo] The 47th UN General Assembly has been in session since September in New York, the United States of America. U Ohn Gyaw, minister for foreign affairs and the leader of the Myanmar [Burmese] delegation, delivered a statement on 5 October. [passage omitted]

Within hours of U Ohn Gyaw's speech, Dr. U Sein Win, prime minister of the National Coalition Government of the Union of Burma, held a news conference at the UN headquarters.

[Dr. U Sein Win in English] In U Ohn Gyaw's speech, he spoke a lot about the collective role of the UN. But he seems to forget that in 1991, the UN had passed the resolution calling for the participation of the people in the politics of Burma, and also to respect the results of the 1990 elections.

[Khin Nyo] [correspondent's Burmese translation of preceding passage in English omitted] Up to now, the military government has done nothing on the UN recommendations. He has explained the preparatory steps taken for the transformation to a democratic state in Burma. But, in reality, there has not been any preparation and it is only a cosmetic change. Although they said about 300 political prisoners have been released, we cannot forget that more than 1,500 political prisoners including Nobel Peace Prize winner Daw Aung San Suu Kyi, U Tin U, and National League for Democracy Party Chairman U Kyi Maung are still being detained. U Ohn Gyaw said the National Convention will be convened by the end of this year or early next year. Nothing directly useful will emerge from this convention. The civil war still rages on in Burma and the military government has refused to hold talks with the leaders of national groups engaged in the armed struggle. Therefore, we do not believe that it could solve Burma's problems.

Dr. U Sein Win, regarding the halt of the military offensive in the Karen State and other regions, and the civil war, said the following to the BBC Burmese Program.

[Dr. U Sein Win] Although they said the military offensive will be halted, up to this day we do not see any hope that it will be stopped. We also do not see any effort on this matter. Just like last year, they merely withdraw because it coincided with the rainy season. [end recording]

Detainees Freed From Insein, Pyapon Jails 6 Oct

BK0610143192 Rangoon Burma Television Network in Burmese 1330 GMT 6 Oct 92

[Text] It has been learned that 31 male detainees, against whom action was taken under existing laws and who were serving their sentences, have been released today from Insein Central Jail and Pyapon Jail after their remaining sentences were commuted in accordance with Declaration No. 11/92 of the State Law and Order Restoration Council.

Authorities Release More Detainees From Henzada Jail

BK0710140892 Rangoon Burma Television Network in Burmese 1330 GMT 7 Oct 92

[Text] It has been learned that 45 male detainees, against whom action was taken under existing laws and who were serving their sentences, have been released today from Henzada Jail after their remaining sentences were commuted in accordance with Declaration No. 11/92 of the State Law and Order Restoration Council.

Brunei, Malaysia & Singapore

Brunei

Indonesia's Suharto Meets Filipino, Thai Leaders

BK0610124792 Jakarta ANTARA in English 1108 GMT 6 Oct 92

[Excerpt] Bandar Sri Begawan, Oct. 6 (OANA-ANTARA)—President Suharto expressed his hope here on Tuesday for a good settlement of all the problems relating to the presence of Indonesians earning a living particularly in the Philippine border region.

The Indonesian head of state discussed the possible impact of the question in his meeting with Philippine President Fidel Ramos at the Jerudong State House, Minister/State Secretary Murdiono said after the meeting.

"President Fidel Ramos said that the problem could be resolved well and officials of the two countries could meet to discuss it. As for Indonesia, we have a high tolerance over the matter," Murdiono said.

It has been for a long time for some Indonesians to go to the border with the Philippines to earn a living and has never created a problem. [sentence as received] However, in line with developments problems may possibly come out of it, he said.

President Ramos had expressed his appreciation to Indonesia's support to his country's wish for membership in the Nonaligned Movement [NAM].

Apart from bilateral issues the two heads of states also discussed international problems especially regarding the implementation of the results of the recent NAM summit in Jakarta, Murdiono said.

President Suharto said he hoped the NAM would focus its attention to the solution of the debt problems of the developing countries as well as their national development efforts.

The Indonesian head of state said the developed countries had actually pledged to set aside 0.7 per cent of their gross national product for the developing countries, but in reality the realization of the pledge had reached only 0.37 per cent.

President Suharto also met with Thai Prime Minister Chuan Likphai. It has been a customary for a new head of state or government within the Association of Southeast Asian Nations to introduce himself to other members of the organization.

During the meeting with the Thai prime minister, President Suharto expressed his hope that Thailand could play more actively in the peace process in Cambodia. Indonesia and France shared chairmanship of the Paris conference on Cambodia, Murdiono said.

In response, Chuan said that he would intend to play a more active role in the process.

Chuan had asked for President Suharto's understanding to accept the meeting here as an introductory meeting commonly practiced within ASEAN, which President Suharto understood it very well, Murdiono said. [passage omitted]

Ramos, Mahathir To Try New Sabah Resolutions

HK0610031392 Quezon City MALAYA in English 6 Oct 92 pp 1, 6

[Report by Cherry Velarde]

[Text] President Ramos and Malaysian Prime Minister Mahathir bin Mohammad agreed in Brunei yesterday to try new approaches in resolving the Sabah dispute.

Press Secretary Rodolfo Reyes said an exhaustive discussion on the issue will be held between senior officials of the Philippine and Malaysian governments.

Reyes said the two panels would discuss not only the question of ownership but also a border patrol agreement which was initiated by the foreign ministers of the Philippines and Malaysia in 1988, but has yet to be signed by the respective heads of state.

In an earlier meeting with Sultan Hassanal Bolkiah of Brunei, Reyes said the President encouraged Bolkiah to invest in Mindanao and Subic Bay.

Bolkiah assured Ramos he would be sending an investment mission to the Philippines to look for business opportunities in oil refineries. Reyes said the Brunei head of state pledged to encourage tourism between the two countries.

The president was scheduled to meet with Malaysian King Yang Di Pertuan Agong, Prime Minister Chuan Leekpai of Thailand, Prime Minister Go Chok Tong of Singapore, and Prime Minister Suharto of Indonesia last night and this morning.

Ramos will arrive at 2 p.m. today.

The president on Sunday urged overseas contract workers to invest their dollar earnings in the Philippines.

"The time has come for the Philippines to join our booming ASEAN neighbors as a tiger economy. I ask you now to support the reforms we are making to fulfill this vision. Do whatever you can or contribute your share for our country to regain its rightful place with dignity in our family of nations," Ramos told some 2,000 Filipinos at the International convention Center in Bandar Seri Begawan in Brunei.

Ramos also told the workers their investments would help cut the foreign and domestic debts.

"If we can put together the capital income from ten million families all over the country into domestic investments, its total will be much more than the totality of all foreign investments and we can wipe out all our debts," Ramos said.

There are three million legally deployed overseas workers, 10,000 of them currently employed in Brunei. For the first three months of this year, their remittances totalled $424 million.

Malaysia

Japan Urged To Reconsider Ship Passage Route

BK0910071392 Kuala Lumpur BERNAMA in English 0650 GMT 9 Oct 92

[Text] Kuala Lumpur, Oct 9 (OANA-BERNAMA)—Defence Minister Najib Razak said Friday Japan should reconsider any proposal to use the Straits of Malacca to bring home its shipment of plutonium.

Japan should take into account the sensitivities and the safety of the countries near the Straits of Malacca—Singapore, Malaysia, and Indonesia, he said.

"Japan's plutonium carrying vessel should opt for a safer passage and avoid the Straits of Malacca where many accidents have occurred recently," he told reporters.

Najib was commenting on reports emanating from Tokyo that the vessel might pass through the straits on its way to Japan from France.

About 3,000 ships pass through the 1,000-km straits every month.

Foreign Minister To Reject Moves To Dismember Bosnia

BK0810145492 Kuala Lumpur NEW STRAITS TIMES in English 7 Oct 92 p 2

[Text] LONDON, Tues.—Malaysia will reject any decision or recommendation by the Geneva Conference that would lead to the dismemberment of Bosnia-Hercegovina, Foreign Minister Datuk Abdullah Badawi said.

"The people of Bosnia cannot be denied their sovereign rights ... we cannot allow it," he said in a meeting with Malaysian journalists here yesterday.

Abdullah, flew in from New York yesterday morning, after addressing the United Nations General Assembly, en route to China on an official mission.

The minister was responding to suggestions made by the on-going Geneva Conference that peace efforts in the Balkan conflict may involve the dismemberment of Bosnia-Hercegovina.

In New York, Abdullah held a four-eyed meeting with UN secretary-general Butrus Butrus-Ghali last Friday. The day before, he joined his ASEAN counterparts in meeting U.S. Acting Secretary of State Lawrence S. Eagleburger to discuss the Bosnian issue.

In his meeting with Butrus-Ghali, Abdullah reiterated Malaysia's call for military force to be used to stop Serbian atrocities in Bosnia. He also urged the UN to ensure that relief supplies for the Bosnians—especially food and winter clothes—be stepped up in view of the coming winter.

The UN secretary-general, in his response, conceded that the relief programme was still insufficient but ruled out the possibility of a military intervention in the immediate term, blaming this on "a division among the major powers".

The US, however, has again said that it is prepared to participate in enforcement measures if so requested by the UN.

In his meeting with ASEAN Foreign Ministers, Eagleburger said military force could be taken to stop the atrocities in Bosnia-Hercegovina.

"I have told the UN secretary-general of the indication given by Eagleburger during the meeting he had with the ASEAN Foreign Ministers. But Mr Butrus-Ghali said the major powers are unsure of the effectiveness of such a measure."

The minister also held talks with ministers of the Organisation of Islamic Organisation (OIC). He said Malaysia was encouraged that the organisation had stood its ground on the earlier decision to challenge the credentials of Serbia Montenegro as heirs to the former Yugoslavia.

Abdullah said Serbia's membership in the Nonaligned Movement (NAM), in the light of the UN decision last month, "is now clear. Serbia cannot take part in any NAM activities. Its membership in NAM will have to be decided by consensus."

On Malaysia's call for the UN to review the Laws of the Sea with regard to the Straits of Malacca, the minister said he has received many positive responses from other countries.

Abdullah said he had directed his officials in New York to prepare an agenda to pursue the proposal.

Central Bank Reports 8.8 Percent Growth in 2d Quarter

BK0810140692 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 8 Oct 92

[Text] The Malaysian economy remains strong during the second quarter of this year with a real gross domestic product growing at an annual rate of 8.8 percent. This was higher than the 8.2 percent for the corresponding quarter of 1991. The second quarter performance was, however, slightly lower than the 8.9 percent growth for the first quarter.

Bank Negara [Central Bank], in its quarterly bulletin, attributed the strong growth in the second quarter to the expansions in all major sectors. The manufacturing sector expanded 13.8 percent helped by the continued growth in both export and domestic market-oriented industry. Output growth in the agriculture, mining and services sectors moderated to 2.9, 5.4, and 9.0 percent respectively.

The central bank said the prospects for the country's economy remain bright in the near term due to the expected strong performance of the manufacturing sector.

Cambodia

Report on 3 Oct MMWG Meeting

BK0810094992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 7 Oct 92

[Text] The Mixed Military Working Group [MMWG] held its 25th first-level meeting in the presence of UNTAC [UN Transitional Authority in Cambodia] military commander General John Sanderson and his deputy, Gen. Rideau, on the morning of 3 October. Army representatives from all factions attending the meeting were, among others, Lieutenant Gen. Phuong Siphan, deputy chief of the Cambodian People's Armed Forces [CPAF] General Staff as Army representative of the State of Cambodia [SoC] faction; Gen. Pan Thai, Army representative of the Liberal Democratic Party [LDP]; and Major Gen. Kruoch Yoeum, Army representative of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] faction. The Khmer Rouge were represented by Brigadier Gen. Nuon Bunno and political adiviser Chhuon Sikhorn. Several observers from all factions and UNTAC were also present.

On its agenda, the 25th first-level MMWG meeting was set to review past military developments, discuss various issues answerable to the jurisdiction of the MMWG, and particularly promote the concerted implementation of the cease-fire's second phase at a time when a faction—the Party of Democratic Kampuchea [PDK]—was refusing to take part in the implementation process. In his opening address, Gen. John Sanderson explained the objectives of the meeting as defined in the agenda dealing with the verification of the withdrawal of all foreign troops and their nonreturn, which was raised in the first question of the past two proposals made by the Khmer Rouge faction; with the requirements and conditions necessary for implementation of the second phase that calls for all Cambodian factions, especially the Khmer Rouge faction, to participate in the implementation of the Paris agreements by, among other things, allowing UNTAC to have free movement in the zones under their respective control; and with the date to be set for completing the implementation of the second phase, which constitutes a step toward establishing mutual trust and confidence necessary for the creation of a neutral ambience before the elections.

Session chairman Gen. Sanderson also expressed his optimism by emphasizing the times and occasions during which the MMWG meetings were needed to be used as a conciliatory forum for breaking through all the deadlocks encountered during the Paris meeting. In this connection, he also urged the Khmer Rouge faction to display its willingness to sincerely take part in the process and build mutual trust between factions and especially to spell out a firm and precise step to help make the implementation of the second phase effective and render the advance toward peace in Cambodia successful.

On the same occasion, UNTAC information officer Captain (Sandu) presented a report on the military situation concerning the process of the Paris agreements' implementation, including the cease-fire violations, acts of banditry, and various crimes which were taking place at a worrisome rate, notably the 83 cease-fire violations which took place during the second half of September. UNTAC inspected a number of areas where these violations were reported. Capt. (Sandu) cited two cases of military clashes between the Khmer Rouge faction and the SoC faction: one on 14 September and another on 24 September in the villages of Ta Ek and Svay Chek. As a matter of fact, Khmer Rouge Division 912 launched an attack on a CPAF position in Svay Chek Village on 24 September using ground troops and an artillery barrage of 50 to 60 DK-82 rounds. They killed a people's police officer of the SoC faction and wounded four CPAF and another people's police officers. A number of houses were damaged or set ablaze after the Khmer Rouge pulled out at 0740.

Concerning the worrisome acts of banditry and homicide, Capt. (Sandu) told of a case which took place in Mongkolborei District, Battambang Province, on 24 September when six people's police officers and two civilians were assassinated and, following the exercise of the right to self defense, five SoC security officers were wounded.

Taking note of these still rampant criminal acts, session chairman Gen. John Sanderson urged all Cambodian factions, especially the Khmer Rouge, to reexamine their military activities and demanded that all cease-fire violations be halted and the use of the military power to serve political ends be prevented as this could only create complications and difficulties in the process of seeking peace for Cambodia.

In their views, army representatives of the FUNCINPEC faction and LDP faction, and especially the CPAF representative of the SoC faction, voiced their welcome to all the constructive views raised by session chairman Gen. John Sanderson. Lt. Gen. Phuong Siphan, deputy chief of the CPAF General Staff and CPAF representative of the SoC faction, expressed goodwill to take part in the implementation of the Paris agreements by continuing close cooperation with UNTAC so that real peace can be brought to the Cambodian motherland and people. Lt. Gen. Phuong Siphan emphasized in his speech that of all the factions, one has so far kept refusing to participate in the Paris agreements' implementation. In particular, it has refused to take part in all the programs and duties stipulated in the second phase of the cease-fire. He then proposed to UNTAC to take specific measures against the noncomplying faction to promote the concerted implementation of the agreements' second phase. At the same time, he also asked UNTAC to see to it that no faction would take advantage of the implementation of the second phase to win superiority over or make profit at the expense of the complying factions. He urged the noncomplying faction to think of the superior interests of the country and people and to cooperate with all other factions in the advance toward free and fair elections that will bring genuine peace to Cambodia.

Gen. John Sanderson also welcomed all factions that have particpated in the process of the Paris agreements' implementation in Cambodia, especially the outcome of and goodwill in the implementation of the agreements shown by the SoC faction which has been closely cooperating with UNTAC. On the problems arising from the above case of noncompliance, he urged the representative of the Khmer Rouge faction to show willingness to take part in the second phase of the cease-fire. However, Khmer Rouge representative Nuon Bunno once again blocked the call with his statement in which he insisted on the obsolete and typical position that the Khmer Rouge would take part in the second phase of the agreements only after their two oft-repeated demands had been met. It was remarkable that in his statement, PDK representative Nuon Bunno first pretended to display a desire to join the peace process. It was surprising and interesting to see the Khmer Rouge with a new attitude as they sent their representatives to attend this meeting. At the end of the statement, however, it became clear that the Khmer Rouge remained unchanged in their position and did not make any constructive move to join the Paris agreements' implementation. Consequently, it was as we had observed above: to the present, the only objective of the Khmer Rouge is to obstruct the Paris agreements by creating all kinds of complications to prolong the implementation in their attempt to use military power to serve political ends and bring back the danger of genocide to Cambodia.

In other words, this 25th meeting did not achieve any result that can be translated as a new constructive contribution to the materialization of the meeting agenda's contents because of the obsolete tricks and maneuvers of the Khmer Rouge.

Before closing the session, Gen. John Sanderson asked all Cambodian factions to confirm that they agreed to take part in the agreements' implementation. The Khmer Rouge faction refused to comply on the grounds of their above position.

UN Activities Worsen Country's Power Shortage

BK0910005192 Bangkok BANGKOK POST in English 9 Oct 92 p 26

[Text] United Nations' activities in Cambodia appear to have worsened the country's already severe power shortage.

A report prepared by the Bangkok-based Mekong Secretariat disclosed that with the UN operations, now involving 15,000 international peace keeping forces, potential power demand in Cambodia may have reached more than 8,000 megawatts (MW), slightly less than Thailand's current demand.

But the actual installed generating capacity in that country is only 97 MW at present and the actual operational capacity may be only about 30 MW, said Adachi Hayao, hydro power engineer of the UN affiliate.

Based on an assumed population of 8.5 million, the secretariat's rough estimate of Cambodia's demand is a minimum of 500 MW.

Much of the power demand is concentrated in Phnom Penh, where shortages are felt.

Many countries and international organisations are offering to rehabilitate the four thermal power stations in Phnom Penh. The reliable power of the stations may be only 25n/n of their 76.57 MW installed capacity. Top priority has therefore been placed on the rehabilitation of these poorly maintained power stations.

Almost all Cambodia's power generation is from diesel power plants, which require expensive fuel, i.e. US$0.0658/Kilowatt/hour including lubricating oil costs.

Even if the facilities are rehabilitated, the pressure of operating costs of the diesel turbines may have a serious impact on the country's economy, the report says.

In the next 5 to 10 years this expensive diesel generation may have to be replaced by other means of generation.

The report says hydropower potential in Cambodia is quite large, about 8,000 MW, but largely untapped. For most of it there is a need to construct large reservoirs, which may not be allowed to be implemented soon.

The southern region along the coast may be the only area which can be developed for hydropower within ten years, the report says.

Indonesia

Alatas Ready for Dialogue With Portugal

BK0710115092 Jakarta ANTARA in English 1016 GMT 7 Oct 92

[Text] Jakarta, Oct. 7 (OANA-ANTARA)—Indonesia is still open for dialogue with Portugal under the auspices of the United Nations secretary general as long as the principles of the dialogue are acceptable, Foreign Minister Ali Alatas said here Wednesday.

Indonesia is ready to cooperate with UN Secretary General Butrus Butrus-Ghali for the holding of the planned dialogue between the foreign ministers of Indonesia and Portugal on the East Timor issue in the UN headquarters, New York, next December, he said.

Minister Alatas and his Portuguese counterpart Joao de Deus Pinheiro held an informal meeting recently during the UN General Assembly's 47th session at the invitation of Butrus Butrus-Ghali, to resume the halted dialogue between the two countries. Alatas described his meeting with Pinheiro as "quite good".

OPEC Official on Oil Price, Iraqi Production

BK0910073892 Jakarta ANTARA in English 0523 GMT 9 Oct 92

[Excerpt] Jakarta, Oct. 9 (OANA-ANTARA)—The development of the prices of OPEC crude oil during the fourth quarter of this year and the first quarter of next year will be affected by Iraq's increased production.

After a meeting with President Suharto at the Merdeka presidential palace on Thursday, OPEC Secretary General Subroto told the press that the United Nations had now permitted Iraq to produce 500,000 barrels of oil per day and 50,000 barrels of the total quantity may be exported to Jordan.

Accompanied by Minister of Mines and Energy Ginanjar Kartasasmita, Subroto said although it was only recently that the administration of President Saddam Husayn is permitted to increase production to 600,000 barrels, the decision has in fact been implemented for some time.

"There are political matters affecting oil," said Subroto when explaining problems between Iraq and the United States.

Although Iraqi oil production is not running well yet, he said, OPEC must take into consideration its production in the future so that it will not affect the income of the 13 member countries of the organisation.

About the demand of consumers for OPEC oil, Subroto said that in the fourth quarter of this year, it would reach 25 million barrels per day. [passage omitted]

Ruling Party Supports Suharto Reelection

BK0810125892 Jakarta THE JAKARTA POST in English 2 Oct 92 p 1

[Text] Jakarta (JP)—Golkar [Functional Group], the dominant political faction in both the House of Representatives (DPR) and the People's Consultative Assembly (MPR), is likely to nominate a military officer for vice president next year.

Chairman of the Golkar, Functional Group, Wahono said here yesterday his organization had the impression the majority of Indonesians wanted a military officer to hold the position of vice president for the coming term of office.

Wahono, a strong candidate for MPR and DPR chairmanship said Golkar would consult with President Suharto about the nomination.

ANTARA news service qouted him as saying Golkar would submit several names.

When asked whether the candidate would be an active or retired officer, Wahono responded that the status of the candidates was not important.

On Sunday, Golkar announced it would nominate President Suharto for a sixth term of office next year.

The MPR will meet in March to elect a president and vice president for the republic and to decide on the content of the guidelines of state policy for the next five years.

Wahono refused to name any potential candidates. He also declined to confirm whether Minister of Home Affairs Rudini and ABRI [Armed Forces of the Republic of Indonesia] Commander Gen. Try Sutrisno were on Golkar's nomination list.

"It is not the right time to talk about it now," he said.

The chairman said Golkar had consulted with Suharto about nominating him for a sixth term. "According to our observation, he agrees," Wahono said.

"When we told him that some people wanted a member of the younger generation for president next time so that he can push for change and respond to future challenges, the president said 'it is up to the people to decide'," Wahono said.

Laos

Phoun Sipaseut Speech at UNGA Session

BK0710101192 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Oct 92

[Speech by Phoun Sipaseut, deputy prime minister, foreign affairs minister, and head of the delegation of the Lao People's Democratic Republic, delivered at the 47th UN General Assembly session in New York on 5 October—read by announcer]

[Text] Respected Chairman: On behalf of the Lao People's Democratic Republic delegation, I would like to congratulate you for having been elected chairman of the 47th UN General Assembly session. I firmly believe your excellency will attain fine success in this very important duty the UN General Assembly has entrusted you.

I would also like to sincerely congratulate His Excellency the UN Secretary General Butrus Ghali for assuming his noble duty at a time when the world situation demands that the UN maintain its important role.

I also take this opportunity to congratulate His Excellency Javier Perez de Cuellar for contributing to the UN cause.

I warmly salute and welcome the delegations of the new UN member countries from Moldova, Kazakhstan, Kyrgyzstan, Uzbekistan, Armenia, Tajikistan, Turkmenistan, Azerbaijan, San Marino, Croatia, Bosnia-Hercegovina, Slovenia, and Georgia.

Mr. Chairman, the current world situation is changing profoundly both in a complicated manner and with new hopes. Even though the disintegration of the Eastern Bloc has contributed to the reduction of military confrontation and nuclear weapons, many new problems such as conflicts and confrontation among many nationalities, races, religious groups, and territorial and (?technical) disputes have cropped up in many regions around the world, threatening world peace, stability, and security. Nonetheless, I believe our world is changing constructively with regard to cooperation, development, and the settlement of its overall problems, such as difficulties, backwardness, famine, the environment, and so forth. In this changing world, the UN must act as a core for the international community in creating a correct and equitable order to ensure the equal rights and interests for all nations based on the principles of peaceful coexistence and the UN Charter. Therefore, it is absolutely necessary that this organization carry out its work more actively, upgrade its structure, and engage in democratization.

Mr. Chairman, our world has not yet enjoyed genuine peace due to conflicts and disputes in many regions. For example, in Europe, the situation in the Federation of Yugoslavia continues to worsen, thus causing concern among the international community and threatening the stability in the region and the world. Therefore, the international community must step up the appropriate measures to rapidly end the ethnic war and restore peace, tranquillity, and normal life of the people there.

In South Africa, despite the political reforms carried out to a certain extent, this effort has not yet addressed the root cause of apartheid. Even though the African National Congress [ANC] has carried out a relentless struggle for constructive change, the Pretoria regime has not yet reduced the use of force against the black population. Therefore, the Lao Government fully endorses the efforts of the international community in supporting the struggle of the majority of the people in South Africa to turn it into a nonracial and democratic society.

The situation in the Middle East continues to be tense and uncertain. Israel continues to occupy Palestinian land and the territories of other Arab countries. We reaffirm our view that all efforts to attain correct, overall, and permanent peace in this region must be carried out based on the correct settlement of the Palestinian issue. With regard to this, Resolution 242 adopted in 1967 and Resolution 338 adopted in 1973 by the UN Security Council as well as other related UN resolutions demanding that Israel withdraw from occupied Arab soil and recognize the Palestinian people's right to self-determination must, first of all, be implemented.

Lasting peace has not yet been guaranteed in the Persian Gulf since the end of the war, due to the threat of renewed war.

In West Asia, Afghanistan has not yet been extricated from civil war. Fighting among rival factions continue while the international community actively makes efforts to demand that all parties cease killing one another, restore national reconciliation, and build political, economic, and social stability as soon as possible.

In the Korean pennisula, the signing of the protocol on national reconciliation, nonaggression, trade exchange, and cooperation between the DPRK and the Republic of Korea as well as the joint communique on the creation of the nonnuclear zone in the Korean Pennisula have served to strengthen the mutual understanding and trust between the two sides. This development has created a bright prospect not only for the trend toward peace, stability, and cooperation in the Korean pennisula, but also for the strengthening of peace and security in Northeast Asia and the world.

Mr. Chairman, in Southeast Asia, even though a number of seeds of instability exist, generally a trend toward peace, stability, cooperation, and development for the mutual benefit of the countries here is emerging. Under these circumstances and by consistently pursuing the foreign policy based on the five-point principles of peaceful coexistence and with our desire to increase friendship and cooperation with neighboring countries, our government has signed a treaty of friendship and cooperation with the Kingdom of Thailand. It has also become a member of the Treaty of Friendship and Cooperation in Southeast Asia or the 1976 Bali Treaty, and has become an observer of ASEAN. The Lao Government with determination, intends to participate in the creation of fruitful cooperation, progress, and prosperity in this region and to contribute to world peace and development.

With regard to the Cambodian problem, the signing of the Paris accord of 23 October 1991 has created a basis for its comprehensive settlement through political means. It can thus end the protracted civil war and bring peace and tranquillity to the Angkor civilization. It can also end the suffering of the Cambodian people. The full adherence and implementation of the accord is, therefore, needed to meet the aspirations and interests of the Cambodian nation.

Mr. Chairman, following the comprehensive implementation of the restructuring policy, our Lao nation has had many significant successes. Political stability and social order have been guaranteed as the people's democratic rights and rights to self-mastery have been promoted and expanded gradually in conformity with the level of economic and cultural development, as well as the customary practices of the nation. The National Assembly's endorsement of the country's first constitution last year has gradually built our state into a state of laws. Based on this line and policy, we have concentrated our intelligence and energy on development to free our country from backwardness. In executing this, we have made use of the strength of all economic sectors in accordance with the state-adjusting market-oriented economic mechanism. We have also broadened our cooperation with foreign countries and promoted foreign investment in Laos. This is our long-term policy aimed at exploiting our natural resources and using it to develop the country and improve the people's material and cultural life.

Mr. Chairman, the world economy is facing development difficulties. Last year, the world economy was at its worst standstill in the past 40 years. Recovery was slow and uncertain. Various developing countries have been put under continuous pressure by the political policies and economic maneuvers of foreign countries and as a result faced heavy debt burdens, a shortage of revenue sources for development, the deterioration of trade exchanges, a serious drain in capital, the drop in prices of basic prices, import blockades, and restriction in the transfer of modern technology. This has adversely affected economic development, while reform and consolidation have been underway.

As the world economy is a unified structure with sectors depending on and related to one another, appropriate means and concerted action to strengthen international relations and cooperation must be urgently sought, in particular, to aid the economic development of developing nations. This is to realize the economic development strategy (?in accordance with the fourth plan) of the United Nations Development Program for the period from 1991 to 2000.

Another important problem related to development is the environment. This problem has aroused the concern of the international community. The climatic changes, air and sea pollution, floods, the expansion of deserts, and the reduction of the ozone layer have adversely affected mankind in the present as well as in the future. In my assessment, the recent UN conference on environment and development in Rio de Janeiro has set a basis for an international agreement which is to take into account the environment issue in all development activities. It is the duty of the United Nations and various UN institutes concerned to effectively organize the implementation of action program No. 21. The aspirations of the international community for a better life and the social progress have become an urgent issue. Indeed, environment preservation and the promotion of economic development as well as the elimination of poverty and backwardness require that mutual relations in the world be enhanced. In this regard, we are ready to participate in the prearranged world summit meeting on social development.

The narcotics problem has also continued to arouse world concern. The struggle to deal with the drug trafficking problem requires vigorous cooperation and action from all countries. Every country should contribute to international efforts to solve the problem. The Lao Government has pursued a policy of comprehensive rural development. It has cooperated with and is ready to continue to cooperate with interested countries including the UN, and in particular with neighboring countries, in pursuing this policy to deal with the drug problem.

Mr. Chairman, in conclusion, our Lao delegation hereby pledges to fully cooperate and to carry out activities based on a creative spirit with all other delegations to contribute to the success of this UN General Assembly session. Thank you.

Leaders Greet PRC 43d Anniversary

BK0110151192 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 1 Oct 92

[Greetings message from Lao leaders to PRC leaders marking 43d anniversary of PRC's establishment on 1 October—dated 30 September]

[Text] The following is a message of congratulations on the 43d anniversary of the establishment of the PRC from Comrade Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and president of the Lao People's Democratic Republic [LPDR]; Comrade Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA]; and Comrade Khamtai Siphandon, prime minister of the LPDR to Comrade Jiang Zemin, general secretary of the CPC Central Committee; Comrade Yang Shangkun, president of the PRC; Comrade Li Peng, premier of the PRC State Council; and Comrade Wan Li, chairman of the PRC National People's Congress:

On behalf of the LPRP Central Committee, the Lao Government, the SPA, the multiethnic Lao people, and in our own names, we would like to extend our warm congratulations and best wishes to all of you, and through you to the CPC Central Committee and all the fraternal Chinese people.

Over the past 43 years, especially after the CPC set the directions for national reform and the open door policy, in conformity with the conditions of the country the Chinese people have attained several significant achievements in the tasks of building socialism in China.

We highly assess such achievements, which have clearly indicated the correctness of the direction and endeavors of the fraternal Chinese people under the clever and firm leadership of the CPC. We are very pleased to observe that the relations of friendship and cooperation in all fields between Laos and China have been developed rapidly and efficiently, thus contributing to the promotion and expansion of their relations of friendship and good neighborliness based on the Five Principles of Peaceful Coexistence.

On this occasion, we wish all of you good health and the fraternal Chinese people greater successes in further carrying out the tasks of national reform and the open-door policy in line with the party and state goals and principles to bring progress and prosperity to the country.

Meanwhile, to mark the auspicious occasion, Comrade Phoun Sipaseut, LPDR deputy prime minister and foreign minister, has also sent a telegram of congratulations to Comrade Qian Qichen, PRC state councillor and foreign minister.

National Highway No. 13 Being Built by PRC Company

BK0810040192 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 6 Oct 92

[Text] The construction of the southern stretch of the National Highway No.13 at a distance of 266 kilometers from Pak Kading District, Bolikhamsai Province, to Savannakhet Province has begun since 15 September 1992.

The construction is being carried out by the (Tian Sin) Company from the People's Republic of China, winner of the bidding contest organized by the Lao Government, with an investment loan of U.S. $50 million granted from the World Bank.

According to Somphouthon Akkhavong, head of the construction project of the southern stretch of the National Highway No.13, the work in the initial phase is to adjust the levels of road surface on both sides on two parts of the route. The first part is from the Se Bangfai Bridge to Thakhek District in Khammouane Province, and the second part from Thakhek to Pak Kading. The technical survey to collect data for construction of bridges and laying of various pipelines is also to be conducted in the same period. Until now, the adjustment of road levels has been made on a distance of more than five kilometers.

The construction of this asphaltic-surfaced highway is expected to be completed within four and a half years—from late 1992 to late 1996. The Chinese company has promised to the Government of the Lao People's Democratic Republic to complete the project six months earlier than schedule and to make it a road of international standard.

Philippines

Military Rebels Said Engaged in Criminal Acts

HK0810061292 Manila BUSINESS WORLD in English 8 Oct 92 p 12

[Text] The military rebels, composed of nine officers and 38 enlisted men as of the latest count, have broken up into small splinter groups that have been engaged in criminal activities.

Acting Philippine National Police (PNP) chief deputy director-general Raul Imperial disclosed this development yesterday as he presented to media two suspected carnappers, one allegedly belonging to renegade officer Lt. Col. "Billy" Bibit's Baula gang. The suspects were ex-Navy Petty Officer 3 Fernando Ginoo and Raymer Reyes, a former security guard. Gen. Imperial disclosed Mr. Ginoo carried a P500,000-reward for his capture, making him the most wanted enlisted man in the rebels' ranks.

"They have not been together with Col. Bibit for a long time," Gen. Imperial said. "Since they (rebels) are no longer controlled by someone high ranking, nagkanya-kanya na sila ngayon [they are now on their own]. We believe some of the rightist rebels are now involved in criminal activities, like carnapping and robbery-holdup."

PNP intelligence operatives arrested both suspects at 10:30 a.m. last October 5 along Araneta Avenue in Quezon City where they were allegedly awaiting their accomplices in crime. During the operation, authorities recovered two Nissan Sentras, two .38 calibre revolvers and one M-16 rifle with two magazines. Gen. Imperial said the PNP's order of battle included both suspects.

Meanwhile, the PNP chief disclosed his command had arrested 65 suspected kidnappers, of which 17 were killed, during the first 100 days of the Ramos Administration. He added the PNP filed a total of 17 cases against these suspects in court.

During the same period, the PNP recorded 40 major kidnapping incidents. "Of this complement, 16 occurred in the National Capital Region, 16 happened in Mindanao and the rest were distributed in the other parts of the country," Gen. Imperial said.

He added the PNP, the National Bureau of Investigation (NBI) and other law enforcement agencies have been meeting in an effort to forge a common order of battle of criminal syndicates. "We will come out with a list common for all and it will be a more accurate order of battle," he remarked. "If an agency takes cognizance of a particular group, they will be the lead agency for that group." dd

Thailand

Further on Hostage Taking by Burmese Soldiers

BK0810081392 Bangkok Radio Thailand Network in Thai 0530 GMT 8 Oct 92

[Text] Speaking to reporters about the abduction of Thai officials and villagers by Burmese soldiers, Foreign Ministry Spokesman Sakthip Krairoek reported that Burma had released two Thai officials, Phat Somsi and Damrong Klinkhachonklai, who are old and in poor health. The spokesman said the Foreign Ministry had pressed the Burmese Ambassador to secure an urgent release of the Thai hostages and to settle the problem at the local level so that bilateral relations would not be affected. The Foreign Ministry was waiting for more information from the Thai Embassy before handing a protest to Burma.

The spokesman reported that those who are still detained in Burma had been moved to a village much farther from the border. The name of the village was not known. Concerning Burma's demand for freedom of 21 Burmese soldiers allegedly taken by Thailand, Sakthip Krairoek confirmed that he had no information about Thailand having taken Burmese soldiers in custody.

Rewat Sirinukun, member of parliament from Kanchanaburi Province, has submitted an urgent motion to the speaker of the House of Representatives, proposing that a special commission be set up to deal with the abduction of Thai officials and people by Burmese soldiers. On 6 October, a group of 12 Thai officials and people, led by the chief of Muang District of Mae Hong Son, went to Huai Pong Lao Checkpoint to meet with the Burmese coordinating team to negotiate for the release of six Thai villagers taken by Burma on 30 August while fishing in the Pai River close to the Burmese border. The district officer and all those accompanying him were held hostage by Burma in exchange for information on the whereabouts of the 21 Burmese soldiers allegedly captured by Thailand. Rewat said that the incident constitutes a violation of Thailand's sovereign rights and freedom and could affect the present good relations. He wants a special commission set up to deal with the issue since it also involves national security.

Burma Said To Agree To Free Officials

BK0810130892 Bangkok Radio Thailand Network in Thai 1200 GMT 8 Oct 92

[Text] According to a Public Relations Department reporter in Mae Hong Son Province, Governor Sahat

Phinthuseni informed him that government-level contact has been made by the Foreign and Interior Ministries with the Burmese Embassy. The Burmese Embassy has also informed its government. The Burmese Government has agreed to release all Thai officials today. At the time of this report, the Mae Hong Son provincial administration has been informed by the Burmese military unit at Ban Pong Lao that 10 Thai officials have arrived safely at Ban Mai in Burma.

Regarding the six Thai villagers held by Burma, four are now at Ban Mai and two at Ban Sop Pai, a Burmese military outpost. One of the two is suffering from a gunshot wound inflicted by Karen soldiers while he was a porter for Burmese soldiers.

As of 1430 today, Thai officials at Mae Hong Son Province have not been contacted by Burmese soldiers regarding the pending release of Thai officials. The Thai governor believes that the problem is communication between the Burmese Government and its field military command, but he thinks the Thai officials will arrive in Thailand soon.

Defense Minister Views Amnesty Revocation

BK0910013992 Bangkok THE NATION in English 9 Oct 92 pp A1-A2

[Text] Defence Minister Gen Wichit Sukmak yesterday sprang to the defence of the military leaders and soldiers involved in the May crackdown, saying they acted on government orders and under the protection of the Constitution and relevant security laws.

The comment by Wichit, who has so far avoided airing his views on sensitive issues, was supported by Air Force Commander in Chief ACM [Air Chief Marshal] Kan Pimanthip, who yesterday added a note of caution to any move to take legal action against the former leaders.

Kan said he was worried that legal action against the generals accused of adopting heavy-handed measures to disperse the protesters would deal a heavy blow to soldiers' morale and cause political trouble for the coalition government.

Former Deputy Supreme Commander Phichit Kunlawanit, who led the Defence Ministry's investigation into the bloody May crisis, urged those considering taking legal action to heed the King's call for national unity.

"Let us forget what can be forgotten," Phichit, who is now a senator, said.

His investigating committee had ruled that excessive force was used to crush the pro-democracy rallies in May but avoided placing blame on any specific party. But Phichit said yesterday protest leaders should also be held responsible for damage caused to public properties by rioting on the Ratchdamnoen Avenue.

"If we really want to find those responsible, all parties involved must be held responsible—be it the then government or the people who led the demonstrations," he said.

But Prime Minister Chuan Likphai insisted yesterday that his government would not compromise on the question of what was "right or wrong". Laws, he said, had to be enforced strictly.

The prime minister also said he expected the Armed Forces to understand the government's position and its effort to comply with pnnciples.

Supreme Commander ACM Woranat Aphichari, meanwhile, was reticent about giving his reaction to Wednesday's House rejection of the Amnesty Decree issued by the Suchinda government to absolve from prosecution anyone involved in the May 17-21 unrest.

Opponents of then prime minister Suchinda Khraprayun considered the executive decree as a move for self-protection in the disguise of absolving demonstrators and their leaders.

In breaking his silence on the amnesty issue, Wichit, who was picked as defence minister by the coalition partners because of his professional record urged relatives of the victims of the May turbulence to drop their plans to file lawsuits against the generals they accused of ordering the brutal killing of innocent demonstrators.

"The military acted on the orders of the government at that time," Wichit said.

"I don't know what the legal consequences of the rejection of the decree by the House are, but my understanding is that the military did its duty under the Constitution, the Emergency Administration Act of B.E. 2495 and the Internal Peacekeeping Act of B.E. 2519," he said.

Wichit said he did not think that individual military officers should face lawsuits as a result of the decree being voted down by the House.

Relatives of the victims plan to file lawsuits against former prime minister Suchinda, former interior minister ACM Anan Kalinta, former supreme commander ACM Kaset Rotchananin, former Army Commander in Chief Gen Itsaraphong Nunphakdi, and former First Army Region commander Lt Gen [Lieutenant General] Chainarong Nunphakdi.

Suchinda resigned from the military to become prime minister, while Anan has been reinstated. The others were moved to inactive posts after a Defence Ministry committee reported on their roles during the crackdown.

Kan, who replaced Kaset as air force chief in the aftermath of the military inquiry into the traumatic incidents, said the House move should not affect the commanding officers and the troops who took part in the May turbulence because they acted on "legal orders".

"They would be subject to legal punishment only if it was proven that the orders were illegal. As soldiers we had to obey orders by the boss," he said.

He took issue with the defence and government investigating panels' conclusion that the military adopted excessive use of force in handling the demonstrators.

"That's not the correct interpretation. The conclusion is that there were flaws in the operational plan and mistakes in mobilizing troops.

"That is to say, troops specially trained to handle riots were too few and what happened was that troops who had not been trained for that had been brought in as the protests dragged on.

"That was understandably done to keep the troops fresh in the face of a prolonged situation like that," he said.

But he said that the military had to leave it to the judicial process to resolve the issue and would accept the results.

"I think everybody understands the situation now," Kan said.

"What I am worried about is the adverse effects on the military's morale and their operations to keep peace and security in the future if the military is ruled to be guilty. Nobody is going to issue such an order in the face of a riot or unrest in the future," he said.

Asked about the possibility of disunity, Kan said he could not predict what would happen next, despite "my deep concern" .

"We in the Armed Forces do not want to see anything untoward happen. We think everybody should pull together to strengthen the country's stability.

"Don't revive an issue on which compromises could have been made, or make the right things wrong to create disunity and unrest. This would only serve to prevent the government from running the country smoothly.

"I don't want to see that. I want to see the country at peace," he said.

Supreme Commander ACM Woranat, asked his opinion of the rejection of the decree, refused to make comment.

"This is a matter to be handled by the government and I don't want to comment otherwise I could be criticized for interfering with military and govemment affairs," he said.

"I have said it many times that soldiers won't interfere with politics. The rejection of the decree won't affect the Armed Forces' hands-off position," he said.

Army Commander in Chief Gen Wimon Wongwanit had earlier indicated his disapproval of reopening the wounds caused by the May clash.

"What is useful to the national interest should be done. What is useless should be avoided," he commented on the eve of the House deliberation on the decree.

Prime Minister Chuan yesterday downplayed jitters caused by the military leaders' comments on the issue.

"I always think that a government and its problems co-exist. If there is a government, then there must be problems for it to tackle.

"The government just has to do it best to follow up on the rejection of the Amnesty Decree and the Executive Decree to reform the Judicial Commission. As long as we face problems in a transparent manner, there is nothing to worry about," he said.

Vietnam

Ninth National Assembly Session Closes 8 Oct

BK0810140992

[Editorial Report] Hanoi Voice of Vietnam Network in Vietnamese at 0745 GMT on 8 October carries live a 60-minute program on the closing of the Ninth National Assembly's First Session at the Ba Dinh Conference Hall in Hanoi.

The announcer begins by saying that "after 20 days of intensive, fervent, and enthusiastic work, the First Session of Ninth National Assembly is drawing to a close this afternoon."

The announcer cites foreign news media, including RADIO FRANCE INTERNATIONAL, REUTER, the Chinese newspaper YOUTH, and the BBC as applauding the democratic and straightforward atmosphere of this National Assembly session. He also quotes Deputy Y-Ngong Niek Dam from Dac Lac Province and Deputy Dinh Quoc Thai from Dong Nai Province as saying that deputies to the Ninth National Assembly are, for the most part, "younger and more competent than those in the preceding term of office."

At 0800 GMT the announcer says that "Do Muoi, general secretary of the Communist Party of Vietnam [CPV] Central Committee; Vo Chi Cong, adviser to the party Central Committee; Le Duc Anh, president of the state; and Vo Van Kiet, prime minister" are in attendance. Also present are many high-ranking party and state officials, representatives of the diplomatic corps, and foreign and local journalists.

The announcer says that "the closing session is presided over by National Assembly Chairman Nong Duc Manh. Also in the presidium are National Assembly Vice-Chairmen Nguyen Ha Phan, Dang Quan Vi, and Phung Van Tuu."

At 0801 GMT, National Assembly Chairman Nong Duc Manh declares the closing session open and reads the agenda which consists of: "Passing the resolution of the

First Session of the Ninth National Assembly; welcoming a delegation of Hanoi citizens to offer its congratulations to the Ninth National Assembly on the success of its first session as well as to those state leaders recently elected by the National Assembly; and hearing the closing speech of the National Assembly chairman."

Nong Duc Manh then invites Nguyen Thi Ngoc Phuong, a representative of the session Secretariat, to read the draft resolution of the First Session of the Ninth National Assembly. She reads the 14-minute draft resolution which congratulates voters nationwide for having contributed their views during various meetings with National Assembly deputies; asks the government to take into account all of the views contributed by the people; and calls on deputies to maintain regular contact with voters.

After praising the government for its socioeconomic development achievements as cited in its report on the implementation of the socioeconomic development tasks over the first nine months of 1992, the resolution discusses the many weaknesses and shortcomings displayed by the government as follows: "There still remains a substantial budget overdraft. No prompt efforts have been made to reorganize production and renovate the management of state business organizations. No strong efforts have been made to bring into full play the potential of nonstate economic organizations. No quick action has been made to effect wage adjustment and resolve the unemployment issue, which constitute two major problems needing urgent solutions. The maintenance of discipline and order still remains lax. Corruption and smuggling continue to cause pain to the socioeconomic life, but no severe measures have been taken to deal with them, thus affecting the people's confidence and the implementation of socioeconomic development tasks as a whole."

The resolution calls on the government to: "Formulate concrete policies and appropriate measures to continue to achieve financial and monetary stability, stabilize market prices, contain inflation, strictly direct budgetary revenue collection, regulate monetary circulation and credit and banking transactions, create conditions for production and business development, and broaden foreign economic relations."

It also stresses the need for the government to create conditions for production and business establishments to adjust themselves to the market system; to resolutely struggle against negative phenomena; to further broaden the export market; to rectify and closely manage export-import activities; to restore discipline and order; to resolutely dispel the scourges of corruption, smuggling, and wasteful spending; and to resolutely punish acts flouting the law and harrassing the people.

After the reading of the draft resolution, National Asembly Chairman Nong Duc Manh asks the deputies to vote on the passage of the resolution. At 0818 GMT, the chairman thanks the assembly for its 100-percent approval. He then introduces a delegation of Hanoi citizens that comes to offer its congratulations to the newly elected state leaders. Next, the assembly chairman invites the head of the delegation, Phan Khac Quang, who is also chairman of the Hanoi Municipal Fatherland Front Committee, to speak.

In his 8-minute speech, Prof. Phan Khac Quang welcomes delegates to the Ninth National Assembly's First Session, offers best wishes to the newly elected state leaders, and calls on the government "to pay more attention to building Hanoi into a leading political, cultural, and economic center of the country."

At 0827 GMT, National Assembly Chairman Nong Duc Manh delivers a 6-minute speech thanking the Hanoi delegation for its best wishes and the people throughout the country for their cooperation in the recent Ninth National Assembly elections.

At 0833 GMT, Chairman Nong Duc Manh reads the closing speech of the Ninth National Assembly's First Session.

In his 12-minute speech, Nong Duc Manh recalls the Ninth National Assembly election and reviews the work of its first session. He then says: "The National Assembly urges the government, the Supreme People's Court, and the Supreme People's Organ of Control to take effective measures to severely punish those who are corrupt, smugglers, or counterfeiters, as well as those who are wasting public money and property and thereby inflicting heavy losses on the people's property and money."

In regard to foreign affairs, he says: "The National Assembly hails the past activities of our state's diplomatic activities reflective of the policy of diversifying and multilateralizing foreign relations politically, economically, culturally, scientifically, and technologically; as wells as its policy of striving to maintain peace and broaden our relations of friendship and cooperation with all nations, especially with neighboring and regional countries." He continues: "Once again, the National Assembly has affirmed our entire people's determination and desire to befriend all nations in the world community in an effort to achieve peace, independence, and development."

At 0845 GMT, he ends his speech by saying: "On behalf of the National Assembly Standing Committee and the comrade National Assembly vice chairman, and in my own name, I would like to sincerely thank the National Assembly deputies for having entrusted us with a heavy task. We would like to wish the National Assembly deputies good health and success in the discharge of their duties. I would like to declare the First Session of the Ninth National Assembly closed." His final remarks are followed by prolonged applause.

At 0846 GMT, the announcer says that Radio Voice of Vietnam's live coverage from the Ba Dinh Conference Hall in Hanoi is closed.

Ministries Urged To Speed Up Assessment Process

BK0610125392 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 22 Sep 92

[Text] On 9 March this year, the Council of Ministers chairman issued a decision on assessing the financial standing of the Housing and Government Office Building Funds nationwide to gather information for the formulation of an urban housing and government office building project for submission to the Council of Ministers.

According to the agenda, ministries, sectors, and localities have been requested to send the results of their assessment reports to the Central Assessment Committee Steering Body before 30 July. The pace of the implementation of this decision, however, remains slow. To date, only 41 ministries and sectors have submitted their assessment reports whereas 42 other ministries and sectors, including major ones like the Ministry of National Defense; the Ministry of Communications, Transportation, and Post and Telegraph; and so forth, have yet to turn in their reports.

Regarding those provinces and cities directly under the management of the central government, as of 21 September, Ho Chi Minh City, Hanoi Municipality, and the Provinces of Vinh Phu, Quang Ninh, Thanh Hoa, Quang Nam-Da Nang, Soc Trang, Kien Giang, and An Giang have turned in the results of the assessment of the financial standing of the Government Office Building Fund. Furthermore, the assessment reports received at the Central Assessment Committee Steering Body are of poor quality and have many errors, thus making general assessment work very difficult and time-consuming.

The assessment of the financial standing of the state-run Housing and Government Office Building Funds nationwide is of great significance. It is necessary for those ministries and localities still lagging behind to accelerate the assessment process and improve the quality of their work.

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